



Keynote speech at Jutarnji List World of Energy Conference

Brussels, 26 January 2022

Ladies and gentlemen,

Dobro jutro and thank you very much for inviting me to address you today.

Our fight against the climate and biodiversity crises knows no single solution, no easy win. It requires a profound transformation, which will bring important changes to every sector of the economy.

Difficult as these changes are, one thing is clear: doing nothing will put us in an even more difficult situation. Look at where we are with just a 1.1 degree increase in temperature: droughts, floods, heatwaves as well as forest fires that grow in frequency and intensity.

Every single country in Europe is feeling the impact, and it is no wonder that public support for climate action has stayed so high even during the pandemic.

To tackle the climate and biodiversity crises, we have to drive down greenhouse gas emissions, turn the page on fossil fuels and close the book on coal. Decarbonisation and green growth based on new technologies are at the heart of the European Green Deal.

The European Union is working to cut its emissions by at least 55% by 2030, to put us on track for reaching climate neutrality by 2050.

Meeting these targets is not just a political commitment. Since the adoption of the European Climate Law it is also a legal requirement. And I should add: it is a moral obligation as well. We owe it to the younger generations to act for their future.

The Fit for 55 proposals we presented last year will help deliver the necessary changes. Fairness is a key principle in all of our proposals. Because if this transition is not just, there just will be no transition.

We share the burden equitably among Member States, support regions who face the toughest transition, and create a dedicated fund to help low-income families afford an electric vehicle or cleaner heating.

The green transition also creates new economic opportunities.

If any sector knows this well, it's the energy sector. You demonstrate how fast change can happen.

Just a few years ago, most renewable investments still required government subsidies. Now, we see that companies are beginning to *pay* governments for the possibility to develop renewable energy sites.

The rapid scale up of renewables alongside the development of new energy carriers like hydrogen also means that there is a growing demand for skilled workers. The International Renewable Energy Agency has calculated that between 2012 and 2020, nearly 5 million jobs were created in renewable energy alone. Renewables create more jobs than fossil fuels.

It underlines why the European Green Deal truly is a growth strategy.

But our transition is difficult, and as with any difficult task, it is easy to give in to the temptation of slowing down or putting things off. Especially when you encounter unexpected obstacles.

Europe is today confronted with large energy price spikes. Rising demand for gas, supply disruption, as well as geopolitical tensions have disrupted the global gas market and pushed the topic of energy security high on the agenda.

I want to be very clear: the best way to real and lasting energy security is renewable energy.

The more energy we generate ourselves, the less we depend on expensive fossil fuel imports. The current situation with Russia only underlines the importance of increasing our energy independence.

And with renewable energy, money spent on energy bills is spent in the EU, for European businesses.

To mitigate the consequence of the current price spikes, VAT-reductions and direct income support provide important solutions in the short-term. They are necessary, but they are also temporary.

To be less dependent, less vulnerable, we need to increase the share of renewables in our energy system, boost energy renovation of houses and buildings, and improve overall energy efficiency. After all, the cheapest energy is energy not used.

If we do this, we can lift families out of energy poverty, and help the more than 300,000 Croatians who now struggle to keep their homes warm in winter.

Getting there requires regulation as well as funding. It is why our Fit for 55 significantly scales up the support available.

To give you an example, the new emissions trading system for road and buildings comes with a Social Climate Fund. With this fund, Croatia could receive 1.4 billion euros to help vulnerable households and small enterprises overcome the investment burden of installing solar panels, buying an electric car, or switching to a different heating system.

The proposed increase of the Modernisation Fund would likewise be of benefit. This fund already supports renewable energy and energy efficiency projects in Croatia, and is available for the decarbonisation of the energy sector as well.

We still have a lot of work on our plates. But 2030 is around the corner and we hear the clock ticking. I hope that we can count on your continued efforts to speed up decarbonisation and the renewable energy transition in Croatia.

The sooner we do this, the earlier our citizens can benefit from cleaner air, well-heated homes, new job opportunities, and the quicker we improve Europe's overall energy security. And the quicker we can bring energy bills down, by the way.

Thank you very much for your attention, and I wish you a very successful conference.

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