

EEF Information Bulletin



Editorial

Energy Security Package

As part of the Energy Union strategy, the European Commission published on 16 February the awaited energy security package.

The package contains the first ever heating and cooling strategy. The EC indicates that heat represents half of the EU's final energy consumption and points to the key role of heating and cooling in ensuring that the EU's energy efficiency and renewable energy targets are met.

This package is also one of the most important for the gas sector in the last years. With the liquefied natural gas (LNG) and gas storage strategy, the EC recognises the strategic role of LNG and underground gas storage in terms of security and diversity of supply, sustainability and competitiveness, including for importing gas from new suppliers. It also recognises the potential for LNG to reduce environmental impact in the transport sector and when used in small scale for heat and power.

As always, EEF events in the coming months will be linked to this package and, through the discussions, will provide food for thoughts to all its members, MEPs and the industry.

Pascale Verheust
Director General

Upcoming events

2016, 8 March

Dinner-debate in Strasbourg

Exchange of views with the Dutch Presidency:

How regional cooperation will help achieve the Energy Union

At the invitation of **RWE**



2016, 16 March

Dinner-debate in Brussels

Securing Energy Supplies: Europe's position on the global stage

At the invitation of **eni**



2016, 12 April

Dinner-debate in Strasbourg

Diversification and cross-border interconnections at the core of the EU single energy market

At the invitation of **SNAM**



2016, 20 April

Dinner-debate in Brussels

A fit-for-purpose ACER and ENTSO governance in the framework of the Energy Union

At the invitation of **E-Control**



2016, 24 May

Dinner-debate in Brussels

LNG : a game changer for the EU's transport and power sector?

At the invitation of **Wärtsilä**



EEF events

Climate Demons or Climate Gods: the coal industry stakes its future

2 February, Strasbourg

Dinner-debate hosted by EURACOAL



At the Paris climate conference last December, 195 countries adopted the first global and legally-binding climate agreement. The European Union reaffirmed its commitment to a cleaner and more sustainable energy system. Yet, notable divergences of views remain within the scientific community when it comes to global warming and climate change.



During a dinner-debate hosted by EURACOAL in Strasbourg, Dr. **Patrick Moore**, Canadian scientist and former President of Greenpeace Canada, presented EEF members with an unconventional interpretation of the whole climate and energy issue. Although Dr. Moore believes that *"carbon dioxide is increasing in our global atmosphere [...] due to fossil fuel combustion, land-use change and perhaps some outgassing from the sea"*, he claims that *"there is no definitive scientific proof that human emissions are the dominant influence on climate"*. According to him, the release of CO₂ in the atmosphere from fossil fuel combustion contributes to the greening of the planet because higher levels of CO₂ increase the growth of plants.



The European Commission, which works to achieve more affordable, secure and clean energy, presented its perspective on the issue. The implementation of these objectives may have an impact on the future of coal in Europe.

This event showed the differences of opinion on CO₂, its impact and emissions as well as the existence of divergent discourses and theories on this issue. As Dr. Paul Rübig concluded, the discussion has provided participants with *"options for thinking"*.





EEF events

Electricity Market reform: more renewables, more security of supply and at competitive cost

23 February, Brussels

Dinner-debate hosted by Iberdrola



The second dinner-debate of the month focused on the Electricity Market Reform, which had been recently discussed in ITRE Committee through the [Langen report](#). The reform will be determined by the respect to climate targets, as well as by the need to enhance security of supply and establish fair prices for consumers.



Julio Castro, Global Regulatory Director at Iberdrola, explained the company's strategy to adapt to this new environment, which takes into account 3 aspects: decarbonisation, customers and grids.

On decarbonisation, Julio Castro explained that until now electricity customers have been supporting this effort “*through their bills with levies and charges*”. In his opinion, the contribution to decarbonisation should be further supported “*by other sectors like oil, coal or natural gas*”. Concerning the grids, increased flexibility in the market has provided more supply options but according to Iberdrola’s representative all these options should include “*the correct allocation of costs linked to their use of infrastructure*”. Regarding market design, capacity mechanisms are needed in Iberdrola’s view “*to provide the market with credible long-term signals that will attract investment on flexible and firm power facilities*”.



Florian Ermacora, Head of Unit for ‘Wholesale markets, electricity and gas’, offered the perspective of DG ENER to the debate. He recalled that the current market is suffering from the lack of investment incentives, the adaptation to an increased share of renewables and problems on cross-border exchange of electricity.



Market mechanisms will help correcting those problems, according to Mr Ermacora, and subsidies of any type, both for conventional and renewable energy sources, should now be avoided. Concerning capacity, Mr Ermacora admitted that with the current excess of electricity generation parts of that capacity will have to leave the market. The assessment on the need for capacity markets must be done, he said, from a more objective and cross-border perspective.



News from EEF members

Workshop on biomass policies



EEF Associate Member COGEN Europe is organising a workshop on 14 March in Amsterdam that will focus on the development of biomass policies.

The main aim of the project is to develop integrated policies for the mobilisation of “resource efficient” indigenous biomass value chains in order to provide evidence for the 2020 bioenergy targets and the 2030 outlook. This workshop is also intended to facilitate the exchange of information on other EU28 national energy and non-energy policy measures.

[More information](#)



Discussion on the need for innovative DSOs



3 EEF Associate Members (EDSO for Smart Grids, EURELECTRIC and GEODE) are organising a half-day conference on 12 April in Brussels to discuss some of the challenges that electricity DSOs are facing at present.



In 2014, the Joint Research Centre of the European Commission estimated that distribution system operators (DSOs) had invested 700 million euros in smart grid technology over the past 10 years. Research and demonstration projects are allowing DSOs to become central platforms for the energy transition by connecting responsive consumers, renewables and flexibility sources.

[More information](#)

