

Information Bulletin



Editorial

End of a busy year

As the year draws to an end, the EEF looks back at a very busy programme in a year of reorganisation.

The first part of 2014 saw the end of the 7th Parliamentary term with MEPs very active in their constituencies but nevertheless working actively to prepare for the changes inside the EEF.

After the new MEPs took office, Jerzy Buzek was elected President of the EEF, succeeding officially Giles Chichester as of the 1st of July.

With a new President comes new ideas... Thanks to a particularly good cooperation of Mr Buzek and the EEF with Dominique Ristori, Director General of DG Energy, the European Commission is now present in each of our events. The presence of these high level speakers brought an added value to the numerous dinner-debates (9 in total) organised these last 3 months.

Now 2015 is at the door. Let's meet again in January with more news and a interesting year ahead.

Pascale Verheust
Director General

Upcoming events

02/12/2014

Dinner-debate in Brussels

Waste-to-Energy: a vital link in the circular economy

At the invitation of **CEWEP**

07/01/2015

Reception in Brussels

20 years of energy debates

At the invitation of **EEF**

13/01/2015

Dinner-debate in Strasbourg

The Market Stability Reserve : a last lifeline for the EU ETS?

At the invitation of **ENEL and E.ON**

20/01/2015

Dinner-debate in Brussels

The Regulators' Contribution to European Energy Policy and the Achievement of the Energy Union

At the invitation of **E-CONTROL**

10/02/2015

Dinner-debate in Strasbourg

How to integrate up to 60% renewables to the EU power system

At the invitation of **ENTSO-E**

24/02/2015

Dinner-debate in Strasbourg

The IEA's World Energy Outlook 2014: What are the Implications for the EU's 2030 Climate and Energy Framework?

At the invitation of **Westinghouse**

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EEF events



The role of advanced biofuels in decarbonizing road transport

04/11/2014: Dinner-debate in Brussels

This was the first EEF debate after Juncker's Commission took office on 1st November and the European Council adopted the 2030 Climate and Energy Package. The heads of government of the different member states encouraged EU institutions to promote emissions reduction and efficiency in transport, which is the second largest emitting sector after energy. The role of biofuels in decreasing CO₂ emissions produced by road transport discussed during this EEF debate was a very timely issue on the agenda.

Ilmari Lastikka, head of Neste Oil's EU Affairs was the keynote speaker. The last IPCC report warned about the need to phase out from fossil fuels by 2100. EU policies are now focusing on finding alternative solutions to lower emissions. The question, according to Mr Lastikka, is thus to know what will be the policy framework shaping this goal, something which remains still unclear after the IPCC summit. The energy industry finds itself in a "*waiting mode*" trying to understand which legislative proposal the Commission will put forward. Neste Oil's representative said it would be desirable to have a proposal which is "*technologically neutral*" and includes different alternatives in the market. In his conclusion, Mr Lastikka insisted on the need for an harmonized legislation to set common targets and for long-term perspectives when drafting legislation.



The Commission's representative at this debate was **Marie Donnelly, Director for Renewables, Research, Innovation and Energy Efficiency at DG Energy**. Ms Donnelly recalled that though it is important to talk about the 2030 framework, in the near future another target has been set: 20% of renewables in EU's energy mix by 2020. In the area of renewables, the EU is on track, according to Ms Donnelly. However, the performance is not as good regarding the 10% of renewables for transport. Transport accounts for 33% of energy consumption and GHG emissions are increasing. Innovation has allowed to improve energy efficiency, but this will not be enough to comply with the target. There is a need to work with "*flanking policies*" and one of these focuses on the fuel used in transport. In this regard, there was an investment in first generation biofuels which has produced benefits. However, the consequences of indirect land use change are still difficult to quantify and this is a problem the EC is trying to deal with. Innovation and investments in second generation biofuels are a good solution and the challenge is now placing this product into the market.



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Thermal Power Generation in 2030 – Added Value for EU Energy Policy”

17/11/2014: Dinner-debate in Brussels



The European Power Plant Suppliers Association is undertaking a study on “Thermal Power in 2030” that will be launched in January 2015. Some early observations on this research are already available and were outlined during the debate on 17 November, with a specific interest in the foreseen capacity investment requirements.



In October, the European Council has agreed on the new framework for climate and energy policies. Within this framework, 3 targets must be reached: 40% emissions reduction from 1990 levels, 27% energy efficiency increase and 27% renewable energy share by 2030.

Emmanouil Kakaras, President of EPPSA, presented the study undertaken by the association, which is the result of a comparison of 7 other studies coming from different sources including the Commission, NGO’s and the business sector. He outlined some of the figures which had come out of the comparison. The participation of thermal power according to all simulations will generate between 43% and 53% of electricity in Europe in 2030. Even in the most aggressive scenarios of decarbonisation, Mr Kakaras said, the share of thermal power is 35%. He also explained that according to EPPSA’s study, around 400 GW of energy will come from thermal generation.



According to the new framework, the role of thermal power is changing as a result of the increasing deployment of intermittent RES. There is a shift from a purely base load to a more mixed system of operation, requiring increasingly efficient and flexible thermal power generation with proven cutting-edge technology. To ensure the success of the 2030 targets of the European Union, the RES integration and to compensate for the projected thermal power plant retirements in the 2010-2030 period, significant investment in such technologies will be needed.



Klaus-Dieter Borchardt, Director for Internal Energy Market at DG Energy, explained the Commission’s point of view. In this regard, he said the decarbonisation objective to the largest extent possible, *“should not be mixed with the tools. We should not right from the beginning say we are ruling out certain tools because we have that objective”*. This is a very controversial issue, he added, and it would be desirable that all discussions on this topic, the added value on the role of thermal power generation, *“be kept free from ideology”*.



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EEF events

Perspectives and conditions for Nuclear New Build in Europe

25/11/2014: Dinner-debate in Strasbourg



November was a busy month in terms of dinner-debates and that last one, taking place in Strasbourg, tackled the role of nuclear energy in achieving the new emission targets agreed by the European Council for 2030.



The European Union has developed a detailed set of rules and instruments to implement an EU energy policy while Member States remain responsible to determine their own energy mix. As highlighted in the previous dinner-debates of this month the challenge for the EU is to devise a long-term and stable framework towards decarbonisation. According to AREVA, this framework must adopt a cost-effective approach on CO2 reductions and ensure at the same time security of energy supply. The use of nuclear energy, a low-CO2 base load source of electricity, can help achieve the decarbonisation target together with other energy sources.



After the Fukushima accident, Germany and Belgium decided to phase out nuclear energy. Conversely, 12 Member States have confirmed that nuclear will remain part of their mix. The UK has an ambitious nuclear program and Poland considers nuclear energy as an option. The implementing legislation, which EU institutions will devise in the coming months and years, will be decisive to make long-term investment possible in low-carbon technologies to meet these objectives.



Raphael Berger, Senior Vice-President Strategy at AREVA recalled during his intervention that EURATOM “provides a robust, up-to-date European framework for the responsible use of nuclear energy” and highlighted the need that European tools “remain technologically neutral and support all projects contributing to EU energy and climate objectives”.



Thomas Gerassimos, Deputy Director-General, DG ENERGY presented the Commission’s point of view at the debate. The nuclear sector, he said, is currently challenged by an ageing infrastructure, the need for security and safety upgrades and the decommissioning of nuclear power plants. On the other side, a lot of regulatory work has been done after Fukushima, but investment is needed. Regarding the investment in nuclear energy, Mr Gerassimos, former director at DG ECFIN, invited the European Parliament to reflect and respond to the Commission’s proposals on how to facilitate more long-term capital financing in Europe. In his opinion, “the solution to long-term capital post-financial crisis does not lie with the banks, but with capital markets” he explained.