

Information Bulletin

October 2021



Next: Online Energy Debate on the EU hydrogen demand



A new colleague in the EEF Team



Summary of past Online Energy Debate



New energy events in the EEF pipeline

On the EEF Programme

How does the EU meet its hydrogen demand?

Tuesday 26 October | 15:00 - 16:30 (CET)

Online Energy Debate via Webex— registration required

The EU gas infrastructure: fostering a secure, safe, and affordable hydrogen economy

Tuesday 9 November | 10:00 - 11:30 a.m. (CET)

Online Energy Debate via Webex— registration required

EEF Team Update

A new colleague in the EEF Team

Warm welcome to Aurélie Papakoch!



Aurélie has just joined our Team as Communication & Events Assistant.

She has been professionally active in the EU sphere for 3 years and acquired international experience. As Communication & Events Assistant, she will be responsible for enhancing the communication strategy of our Association and will be in charge of the smooth running of the EEF events.

We wish her a fruitful experience in the energy world!

Online Energy Debate

The new EU ETS: how to ensure a just transition towards a more sustainable future? - 28 September

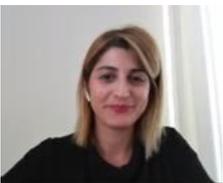


How a privilege it was to see prominent energy players willing to debate so broadly and what an honour to know they recognize the EEF as a key platform where to do so!

Wanda Buk, Vice-President for Regulatory Affairs of PGE Polish Energy Group, explained how PGE is committed to increasing the share of renewables in its portfolio to 50% by 2030 and 100% by 2050. This represents a huge investment challenge and increasing carbon prices risk making it more difficult: still largely based on fossil fuels, PGE nowadays dedicates a large share of its budget to cover CO₂ emission allowances' costs. Since higher carbon prices also mean higher electricity prices for consumers, any further price shock should be avoided through additional preventing mechanisms as well as a revision of both the EU ETS parameters and the Market Stability Reserve. PGE welcomes the Fit for 55 Package, yet it insists the different starting points and expenditure capacities of EU Member States should be accurately considered in all legislative initiatives.



Elena Giannakopoulou, Director of Strategy at Public Power Corporation S.A., offered a slightly different perspective, underlining how the EU ETS – coupled with renewables' increasing cost-competitiveness – has been positively incentivizing the company's generation fleet reconfiguration away from lignite and towards renewables. Now as decarbonization deepens, there is a crescent need to address the transition-related complexities beyond market dynamics, e.g. the inclusion of local societies, the re-skilling of workers and the decarbonization of islands. PPC appreciates the ambition of the EU ETS revision and the proposed extension to new sectors, which would facilitate cost-effective emission reduction and hedging. Complementary policies are needed as well, ensuring the EU ETS revenues are directed where needed and finance just transition plans.



Beatriz Yordi Aguirre, Director "European & International Carbon Markets" at DG CLIMA, European Commission, agreed that a just transition is a priority, which the EC proposes to address via an increased Modernisation Fund and the Social Climate Fund, to be added to other existing instruments. The EU ETS revenues are also meant to address transition-related social impact and to foster investments in clean technologies. Shifting expenditure away from this and towards CO₂ allowances should not be an option. On energy prices, Ms. Yordi reminded of what was said by the IEA – that their increase largely depends on higher gas prices, which is a supply problem not linked to the penetration of new clean technologies. The EC is sure the new package is based on a well-balanced approach combining ambition, a mix of regulatory and carbon pricing measures, and fairness.



The EEF President MEP Jerzy Buzek, EEF Active Member MEP Pernille Weiss and MEP Jytte Guteland also offered remarks. They all shared positive thoughts on the level of ambition of the legislative package, but also remarked that accuracy is needed when modifying the EU ETS, particularly with reference to its likely impact on energy-intensive and energy-complex sectors.



They added that the Social Climate Fund should primarily benefit lower-income EU households and that preventing any financial speculation in the EU ETS system is also a key priority.



EEF Associate Members in the audience were quite active as well, raising questions on the use of the EU ETS revenues and on how to defend the system's credibility by avoiding having Member States take extraordinary measures to mitigate carbon prices increase, as well as asking to set a right balance between the proposed changes on free allowances phase-out and benchmark rules and ensuring predictabilities to companies.