



Editorial

Capacity market

The opening of markets is a fundamental mission of the European Union which is applicable to the electricity and gas markets.

Contrary to the markets for most goods, they rely on the existence of electricity transport lines and gas pipelines which constitute the *infrastructure* of the markets in question. This infrastructure is expensive and for historical – and geographical – reasons, very heterogeneous at the European level and, particularly, between Member States.

Promoting the opening of the electricity and gas markets implies financing costly investments for interconnections.

European policy in this domain must be based on European funds and on the adoption of a scale of priorities in scheduling the implementation of the interconnections.

Any potential initiative in this area will be in addition to the commitment to produce renewable energies which, for the most part, will be in the form of electricity. As a result, 20 to 25% of the electricity consumed in the European Union in 2020 will come from renewable energies. This quantity will be in large part financed by public subsidies provided essentially by the States and the Regions and not by European budgets.

The compulsory injection of electricity produced from renewable sources shifts the value order of other, more conventional energy sources, in particular, those produced with gas. ([See page 3](#))

Jean-Claude Charrault
Director General

Upcoming events

- 11/09/2012** Dinner-debate Strasbourg
RES and ICT: the need for a systematic approach at the invitation of EWE
<http://www.europeanenergyforum.eu/events/res-and-ict-need-systemic-approach>
- 12/09/2012** Lunchtime discussion Strasbourg
Key factors in the development of nuclear power in the EU at the invitation of Westinghouse
<http://www.europeanenergyforum.eu/events/key-factors-development-nuclear-power-eu>
- 24/09/2012** Dinner-debate Brussels
The role of gas in Europe's future energy landscape at the invitation of OMV
- 08/10/2012** Dinner-debate Brussels
Power-Water : The promising nexus for economic and environmental sustainability at the invitation of GE
- 06/11/2012** Dinner-debate Brussels
Development of the energy sector of the Russian Federation: Functioning of electricity and capacity market and planned projects in the Baltic Sea Region - new possibilities for cooperation with the EU at the invitation of InterRAO





New Associate Members

ERDF

ERDF, a wholly-owned subsidiary of EDF, manages the public electricity distribution network across 95% of metropolitan France. ERDF fulfils two fundamental public service duties: ensuring service continuity and providing quality and non-discriminatory access to the public distribution network. In order to achieve these commitments, continued modernisation is an ERDF priority.



The EEF contact person in ERDF is **Sylvie Courtier-Arnoux**, Director for Studies in Energy Policy . She develops and delivers the company statements related to energy policy and is the interface with the MEPs in Brussels. She graduated from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées. She was a scientist in the fields of acoustics, fluid mechanics, fluid structure interaction and numerical modelling. She moved to regulatory affairs at the headquarters of EDF and then at EnBW, Karlsruhe, Germany.



CHEVRON

Chevron is one of the world's leading integrated energy companies and conducts business worldwide. Its success is driven by its people and its commitment to get results the right way—by operating responsibly, executing with excellence, applying innovative technologies and capturing new opportunities for profitable growth. Chevron is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemical products; generates power and produces geothermal energy; provides energy efficiency solutions; and develops the energy resources of the future, including research for advanced biofuels.



Susan Russell heads Chevron's EU Affairs office in Brussels. She began her career with the company in 1972 in the former-Texaco retail organization in the UK. After holding different positions in Texaco's European headquarters in Brussels in the Finance and Economics and, subsequently, Trading and Supply, groups, Susan became involved in EU Affairs in the early nineteen-nineties, representing the company towards the European Institutions and other EU stakeholders. She has been Chevron's representative in several industry groups in Brussels including, AmCham EU, the International Association of Oil & Gas Producers (OGP), CONCAWE and EUROPIA. Susan Chaired the latter's Energy Policy Action Group from 2006 until 2011. Currently, aside from her government affairs role towards the EU Institutions, Susan is the European representative on the *Global Issues and Policy* team of Chevron's Corporate Public Policy group.





Associate Members Events



6-7/09/2012 [Next CEWEP Congress on "Energy & Resource Efficiency" in Würzburg \(Germany\)](#)

21/09/2012 [Workshop "The important role of DSO in Smart Grids: technical & regulatory issues & how RD&D can help defining future innovative solutions" in Frankfurt \(Germany\)](#)

17/10/2012 [6th International Gas Turbine Conference, Brussels \(Belgium\)](#)

EEF News

New registration form for the events



The EEF has implemented a new system to register to dinner-debates. When you receive the invitation, simply click on the register here button or on the link provided and enter your details. Once the form has been submitted, an automatic confirmation of your registration will be displayed so as to avoid any misunderstanding. You will also receive a confirmation by email with the details of the conference a week before the event.

For those who need a badge to access the EP, do not forget to mention it and add all your ID details when you register. Access badges to the EP will only be given to those actually registered.

Thank you for your cooperation!

Editorial

The fear that renewable energies will potentially not be profitable after 2020 (see last July's editorial) could lead the European Union to issue another renewable energies production mandate to the Member States beyond 2020.

In this case, conventional electricity sources would have even narrower development prospects. The effect would be all the greater given that the price of gas on international markets could drop considerably following the massive arrival of shale gas (see the April 2012 editorial).

In this event, potential investors in electricity production capacity will only have access to part of the overall market and will not know how or when they will be able to amortise their investments. This is why they are reticent to move ahead. Faced with this situation, some Member States, feeling that it is their responsibility to ensure a secure national electricity supply, have stated that they are prepared to guarantee amortisation for those who invest.

This approach is known as "capacity market". It is contrary to the policy of opening the European electricity market.

The Commission will likely tackle this subject in its communication on the state of the opening of the energy market which it is planning to publish in October.