

# Newsletter



October 2010

## Letter from the Publisher:

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### *Geothermal developments*

The Parliamentary Assembly of the Council of Europe recently adopted a report, followed by a resolution, on the theme: "[Geothermal energy – a local answer to a hot topic?](#)"

Since it was founded some 15 years ago, the European Energy Forum has devoted, on average, one major event every two years to the issue of geothermal energy. In particular, a seminar entitled "European Geothermal Energy Day", which brought together experts as well as national MPs from all over Europe, was held on 12 May 1998. The seminar ended with a dinner-debate on the energy potential of "hot dry rocks". Among the participating national MPs – who were members of the Parliamentary Assembly of the Council of Europe – was Thomas Olrich, who represented Iceland and who went on to become the Foreign Minister of his country and, subsequently, Ambassador to France and to several international institutions. As a matter of fact, it was Thomas Olrich who invited the Forum to visit Iceland, which we did in October 2001 and again in May 2005.

Here is a summary of the above-mentioned report:

*Geothermal energy, which is energy sourced from the Earth's heat, has long been known to man and exploited by him. Its use goes all the way back to antiquity. It is now used by ninety countries, in twenty-four of them for electricity generation. In certain cases it accounts for a fairly substantial – between 15 and 22% - proportion of all the electricity produced.*

*Geothermal energy is sustainable and non-polluting and also has the advantage of being widely available and not dependent on climatic conditions. The gradual depletion of reserves of fossil fuels and efforts to combat climate change make geothermal energy a potentially interesting method of meeting our energy needs. It is also likely to be more cost-effective than other sources of renewable energy.*

*However, the exploitation of geothermal energy still suffers from certain legislative and regulatory, and financial and economic, weaknesses.*

*The Parliamentary Assembly therefore recommends the use of geothermal energy as a means of combating climate change and stresses that in order to achieve this objective local elected representatives and political decision-makers must take the necessary steps to inform the general public and, above all, potential investors, of its benefits. It also calls for strategic research programmes, financing and insurance schemes and adequate training.*

Even more recently, the weekly "The Economist" published an outstanding article on the subject "[Hot rocks and high hopes](#)". Lastly, the European Geothermal Energy Council held a high-level scientific seminar in Brussels on 14 September this year.

Jean-Claude Charrault  
Director General



## News from the EEF

### Upcoming events

2010/10/19 Dinner-debate Strasbourg — [Europeanisation of the Energy Policy](#), at the invitation of the EEF with Mr Günther H. Oettinger, Commissioner for Energy

2010/10/25 Dinner-debate Brussels — [Competitiveness in a new energy world: How equipment suppliers are contributing to a smart, flexible, lower carbon energy future](#), at the invitation of EUTurbines

2010/10/27-28 [Delegation visit to France to Flamanville 3 and La Hague reprocessing plant](#), at the invitation of AREVA and EDF

2010/12/01 Dinner-debate Brussels — **Making the Renewables Market more competitive**, at the invitation of BDEW

### Internal meetings

**2010/10/14 ITAC (Industrial and Technical Advisory Committee) Meeting:** President, Treasurer, Vice-Presidents, Board members, Associate Members and EEF secretariat attend. Invitation has been sent to those invited.

**2010/11/24 Board Meeting:** President, Treasurer, Vice-Presidents, Directors and EEF secretariat attend. Invitation will be sent in due time.

### Past events

**2010/09/07** Dinner-debate: [Unconventional gas and sustainable energy: myth versus reality](#)

Unconventional gas has revolutionised the U.S. energy market. **Beate Raabe**, Director of EU Affairs at OGP, explained what unconventional gas is, how it is extracted and what are its implications – and opportunities – for Europe and its requirements for sustainable energy.

**2010/09/27-28** - [Delegation Visit to Cadarache, South of France — The CEA researches for a low-carbon economy](#), at the invitation of CEA

A delegation of MEPs, European Commission, European representatives and associate Members of the EEF was invited to visit the Cadarache Research Center. The group visited the Jules Horowitz Reactor building site, the Tore-Supra Tokamak and the ITER building site as illustration of the fission and fusion activities of the CEA. The CEA also presented its research in alternative energies such as hydrogen production mechanisms or lipid bio-carburant production through micro algae. The visit ended with a presentation of research in solar energy: electricity production using photovoltaic modules and habitat heating



**Presentation of TORE SUPRA TOKAMAK**



**2010/09/29** Dinner-debate: [Final disposal of radioactive high level waste and spent fuel in Sweden: a project approaching realisation](#)

SKB, the Swedish Nuclear Fuel and Waste Management Company is assigned to manage and dispose of all radioactive waste and spent fuel from Swedish nuclear power plants. A siting process for a high-level waste repository was initiated in the early

1990's. In 2009 the site for the final repository was chosen. Considerable experience has been gained during this process and **Claes Thegerström**, President of SKB, informed the audience on their experience. He emphasised the elements that are considered most fundamental for a stable and successful siting process. The time-table for the future realisation procedure was also discussed.

## EEF Members

### Associate Members

**EURACOAL** Mr. **Brian Ricketts** has been appointed EURACOAL's Secretary General. He replaces Thorsten Diercks, whose five-year mandate ended in July 2010.

**FORATOM** for nuclear energy in Europe Following the departure of Mr Sami Tulonen in July 2010, Mr. **Richard Ivens**, previously Senior Manager – Institutional Affairs, has been promoted to Director – Institutional Affairs. Mr. **Hans Korteweg** will now focus his full attention to his new function as Director for Management and Strategy.



Mr. **Christopher Burghardt** has been appointed Vice-President of First Solar. He replaces Maja Wessels who joined the USA headquarters end of September.



Mr. **Abel Enriquez** has been appointed GIE Executive Secretary as of 1st October 2010. He replaced Vaclav Vocilka who ended his mission in August 2010.

### Active Members

*The office of Giles Chichester:*

**Lauren Murphy** and **Zainab Al-Deen** are replacing Clara McHugh as Giles Chichester's parliamentary research assistants. Lauren has graduated this summer with a BA Hons in French and European Studies, while Zainab has successfully completed her MSc in International Security, Global Governance and Diplomacy.



*The Office of Alejo Vidal-Quadras*

Following the departure of Aleyda Hernandez Laviades, the office of Alejo Vidal-Quadras has recently welcomed a new colleague and will now be composed of **Ana Cabanelas Alvarez**, who has been working with Alejo Vidal-Quadras for 5 years, and **Sarah Lahousse Juárez**, who recently joined the team. Sarah has an academic background in Law and in Political Science. After graduating in 2007, she has worked as an intern for the European Commission and for the European Ombudsman, and has worked as a Project Manager in the private sector.



## News from the European Union

*The EEF follows major EU long-lasting decisions*

### Companies Concentration -notification, decision, opposition, non-opposition,...

#### [2010/09/10 Prior notification of a concentration - CKI/HEH/EDF \(UK Electricity Distribution Business\) - Candidate case for simplified procedure :](#)

The Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which Cheung Kong Infrastructure Holdings Limited ('CKI', Bermuda) controlled by Hutchison Whampoa Limited ('HWL', Hong Kong) and Hongkong Electric Holdings Limited ('HEH', Hong Kong) belonging to the Cheung Kong Group, acquire within the meaning of Article 3(1)(b) of the EC Merger Regulation control of the whole of the regulated and non-regulated UK electricity distribution network businesses of Electricité de France SA ('EDF', France) collectively 'the Target businesses', through a special purpose vehicle, namely, Eclipse First Network Limited, by way of purchase of shares.

The business activities of the undertakings concerned are :

- CKI: activities in electricity generation, transmission and distribution, toll roads, gas distribution, water treatment and distribution and infrastructure materials,
- HEH: activities in electricity generation, transmission and distribution in Hong Kong,
- HWL: investment business,

— The target businesses: electricity distribution in the east and south east of England and London and operation and maintenance of privately owned electricity distribution network assets at a number of sites in UK.

#### [2010/09/09 Prior notification of a concentration - E.ON/PP - Candidate case for simplified procedure :](#)

The Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which E.ON Czech Holding AG ('ECH', Germany), ultimately controlled by E.ON AG ('E.ON', Germany), acquire within the meaning of Article 3(1)(b) of the Merger Regulation sole control of Pražská plynárenská a.s. ('PP', Czech Republic), by way of purchase of

shares.

The business activities of the undertakings concerned are :

- for ECH: supply of gas, electricity and heat in the Czech Republic,
- for PP: supply of gas and heat in the Czech Republic.

#### [2010/09/21 Non-opposition to a notified concentration - GDF Suez/Gaselys :](#)

The Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EC) No 139/2004.

#### [2010/09/21 Mergers: Commission clears proposed acquisition of a controlling stake in Spanish gas company Saggas by Japan's Osaka:](#)

The European Commission has approved under the EU Merger Regulation the proposed acquisition of joint control over Saggas, which runs the Sagunto regasification plant in Spain, by Osaka Gas CO Ltd., a Japanese energy company. The other controlling entities of Saggas are Infrastructure Arzak BV, ultimately managed by Deutsche Bank of Germany, and Union Fenosa Gas S.A. (UFG) of Spain, which is jointly controlled by the Gas Natural SDG S.A. of Spain and ENI S.p.A of Italy. After examining the operation, the Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area (EEA) or any substantial part of it.

#### [2010/09/15 Mergers: Commission clears APX's proposed purchase of Belpex in energy trading field :](#)

APX facilitates the trading of electricity and gas for delivery in The Netherlands and Belgium, and the trading of gas in the United Kingdom. Belpex facilitates trading electricity in Belgium.

Under the proposed transaction, APX, now jointly controlled by Tennet and Gasunie, would acquire the activities of Belpex. As a result of the operation, Elia, that controls Belpex, would acquire joint control over the merged APX/Belpex entity, together with Tennet and Gasunie.

Elia is primarily active as the Belgian electricity transmission system operator and jointly controls one



of the four electricity transmission networks in Germany (50Hertz). Gasunie is the system operator of a large gas network, consisting of pipelines and connected installations in The Netherlands and Northern Germany. TenneT is the Dutch electricity transmission system operator and one of the four electricity transmission networks in Germany (Transpower).

The transaction primarily concerns the provision of services for the wholesale trading of electricity.

### State Aids -notification, decision, opposition, non-opposition,...

#### [2010/09/15 State aid: Commission finds against planned regional subsidy to Italian energy company Fri-el Acerra :](#)

The European Commission has authorised a compensation which Spain intends to grant to electricity generators to meet the costs of fulfilling a public service obligation, namely producing certain volumes of electricity out of indigenous coal. The directive that governs the functioning of the EU electricity market allows Member States to put in place such public service obligations, motivated by reasons of security of energy supply, within a limit of 15% of national electricity consumption. The state support is in line with EU State aid rules on public service compensations because it will not result in over-compensating electricity generators for fulfilling the obligations imposed on them.

### EU Energy Management, Security of Supply, Sustainable Development

#### [2010/09/14 Latest update of energy trends up to 2030 :](#)

The scenarios of the "Energy trends 2030" give an update of the previous trend scenarios. The new scenarios take into account the latest economic developments, energy price environment of recent years, and new policies and measures implemented on EU level and in Member States.

### Third legislative package on EU Electricity & Gas markets - EU Energy Networks

#### [2010/09/23 Commission Regulation on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging :](#)

Transmission system operators shall receive compensation for costs incurred as a result of hosting cross-border flows of electricity on their networks on the basis of the guidelines set out in [Part A of the Annex].

### Measures to safeguard security of natural gas supply

#### [2010/09/21 European Parliament legislative resolution on the proposal for a regulation of the European Parliament and of the Council concerning measures to safeguard security of gas supply and repealing Directive 2004/67/EC :](#)

The European Commission welcomed adoption of the Security of Gas Supply Regulation by the European Parliament. The new legislation will strengthen the coordination between Member States and ensure that effective action will be taken in advance to prevent and mitigate the consequences of gas supply disruptions.

Energy Commissioner Günther Oettinger said: "This regulation is a major step forward to ensure that every household has gas even in the event of gas supply disruptions."

The Regulation should be formally adopted in the first half of October by the Council and shall enter into force before the end of the year.

### Notification to the Commission of investment projects into energy infrastructure within the European Community

#### [2010/09/21 Commission Regulation \(EU, Euratom\) No 833/2010 implementing Council Regulation \(EU, Euratom\) No 617/2010 concerning the notification to the Commission of investment projects in energy infrastructure within the European Union :](#)

The form and technical details of the notification to the Commission of data and information on investment projects in energy infrastructure referred to in Articles 3 and 5 of Regulation (EU, Euratom) No 617/2010 [is] set out in the Annex to this Regulation.

### EU Nuclear Sector

#### [2010/09/09 Results of the public consultation "Approaches for a possible EU legislative](#)



**proposal on the management of spent fuel and radioactive waste" :**

The questionnaire was related to a possible legislative proposal governing the management of spent fuel and radioactive waste, which aims at re-launching a Commission initiative to enact binding legislation in the field.

While it is for each Member State to choose whether or not to invest in nuclear energy, the nuclear safety and security framework applied everywhere in the EU is of common interest. The cross-border impact of nuclear energy and increased international cooperation requires the EU to maintain the highest safety, security, non-proliferation and environmental protection standards for nuclear generation. The EU therefore needs to develop a common legislative framework with respect to the safety of nuclear installations and the management of spent fuel and radioactive waste.

Extract from the Commission's summary :[...]

**4. GENERAL PERCEPTION ON POSSIBLE EU APPROACH**

*As a means to tackling the challenges [identified above], 74.8% of the individual respondents believed in the need for a common approach within the EU. Of this group 77.6% favoured binding legislation in the form of an EU Directive as the preferred implementation route.*

*71% of individuals also considered that legal certainty would be enhanced should the principles of the IAEA Safety Fundamentals and the Joint Convention be integrated into Community legislation.*

*Radioactive waste management organisations, radioactive waste producers and technical service organisations responded similarly, with 75% supporting binding legislation.*

*The NGO response also showed strong support for binding legislation (88.6%), while support from public authorities (66.7%) was also very strong.*  
[...]

**Commission opinion concerning the plan for the disposal of radioactive waste in accordance with Article 37 of the Euratom Treaty**

**2010/09/27 Plan for the disposal of radioactive waste arising from the decommissioning and dismantling of the FRM Research Reactor, located at Garching in the Federal Republic of Germany :**

In conclusion, the Commission is of the opinion that the implementation of the plan for the disposal of radioactive waste in whatever form arising from the decommissioning and dismantling of the FRM Research Reactor, located at Garching in the Federal Republic of Germany, both in normal operation and in the event of an accident of the type and magnitude considered in the general data, is not liable to result in the radioactive contamination of the water, soil or airspace of another Member State.

**EU Environment**

**2010/09/17 Commission sets up world's first project network for CO2 Capture and Storage :**

The European Commission completed the launch of the EU tool that supports early large-scale demonstration of CO2 capture and storage (CCS) technologies. The CCS Project Network is the world's first network of CCS demonstration projects to foster knowledge sharing and raise public understanding of the role of CCS in cutting CO2 emissions. This will accelerate learning and ensure that the Commission can assist CCS to safely fulfil its potential and become a commercially viable technology.

**EU Institutions Activities**

**European Investment Bank**

**2010/09/06 EIB, EBRD and IFC start appraisal of Nabucco pipeline :**

A mandate letter has been signed today by the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), IFC - a member of the World Bank Group -, the shareholders of Nabucco and NABUCCO Gas

Pipeline International GmbH. The signing of the mandate letter by the three International Financial Institutions (IFIs) marks the start of the appraisal process of the Nabucco project, a required step towards a potential financing package of up to EUR 4 billion. The Nabucco gas pipeline project is the flagship project for meeting future EU gas demand and will diversify Europe's pool of supplier countries.



## EU International Relations

### Energy Charter Treaty

#### **2010/09/24 Commission welcomes Ukraine in Energy Community:**

The European Commission has welcomed Ukraine joining the European Energy Community. The Community extends the EU internal energy market to South East Europe and enhances the overall security of supply. The Protocol on the Accession of Ukraine to the Energy Community was signed this day at the Energy Community Ministerial Council in Skopje (Macedonia).

### EU-AFRICA Energy Partnership

#### **2010/09/14 Energy in Africa: Commissioners Piebalgs and Oettinger launch the Renewable Energy Cooperation Programme:**

At the High Level Meeting of the Africa-EU Energy Partnership (AEEP) in Vienna, EU Commissioner for Development Andris Piebalgs and EU Commissioner for Energy, Gunther Oettinger launched the Renewable Energy Cooperation Programme (RECP) together with the African Union and announced a planned contribution of €5 million to start the programme. This programme of cooperation is due to contribute to the African renewable energy targets for 2020. It aims at bringing relevant renewable energy technologies to the market in Africa.

## News from

*The EEF follows major international energy institutions*

### International Energy Agency (IEA) activity

#### **2010/09/21 Natural Gas in India – Working Paper:**

The Indian gas market is expected to be one of the fastest growing in the world over the next two decades. This paper analyses this market, highlighting the current challenges. It first looks at the industry structure, presents the main players from industry as well as government, and gives an overview of the regulatory framework. The issue of pricing remaining crucial for both upstream and downstream development, the paper looks at both supply – domestic production and LNG imports – and demand.

#### **2010/09/21 Launch of IEA Energy Poverty Report at UN in New York:**

At a press briefing on the sidelines of the United Nations Millennium Development Goals (MDG) Summit in New York, the IEA launched a new report in co-operation with the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO): “Ending Energy Poverty: How to make modern energy access universal”, a special excerpt of IEA World Energy Outlook (WEO) 2010.

Over 20% of the global population – 1.4 billion people – lack access to electricity. Some 40% of the global population – 2.7 billion people – rely today on the traditional use of biomass for cooking. These are some of the major findings of the joint analysis by the IEA, UNDP and UNIDO.

#### **2010/09/20 Energy Technology Perspectives Presented in Spain:**

IEA Executive Director Nobuo Tanaka travelled to Madrid for the Spanish launch of Energy Technology Perspectives 2010. The event was hosted by the Ministry of Industry, Tourism and Trade and attended by over 150 experts. Mr. Pedro Marin, Secretary of State for Energy offered opening remarks and Former Minister of Industry, Tourism and Trade, Claudio Aranzadi discussed the importance of the ETP 2010 analysis for Spain.

#### **2010/09/20 Energy Efficiency Focus in Russia:**

The IEA jointly with the Russian Energy Agency held a Round Table on Energy Efficiency Indicators. The Round Table brought together key Russian Ministry and other institutional stakeholders as well as IEA and other international experts. This in particular discussed the findings of a joint IEA-Rosstat project



funded by the UK governments Strategic Programme Fund which was looking at the development of energy efficiency indicators in Russia based on IEA country experience.

**2010/09/15 [Role of Technology in Global Energy Transformation:](#)**

IEA Executive Director Nobuo Tanaka gave a presentation in New York at Columbia's School of International and Public Affairs Leaders in the Global Energy series. Mr. Tanaka's presentation focused on the key findings from the recent IEA publication, Energy Technology Perspectives, and the role of technology in transforming our global energy system.

**2010/09/13 [IEA Presents Energy Technology Perspectives in India:](#)**

The India launch of IEA's Energy Technology Perspective 2010 took place on 3 September with support from the Bureau of Energy Efficiency and the Central Electricity Authority, both under the Ministry of Power. IEA Executive Director Mr Tanaka delivered a key note speech with special focus on regional analysis on the US, China and India. The Secretary of the Ministry of Power, Shri P Uma Shankar made an opening speech affirming India's interest to continue working with the IEA towards ETP 2012.

**2010/09/13 [IEA Emergency Response Training Course Promotes Energy Security:](#)**

The IEA is increasingly engaged in co-operation with the Asia-Pacific Economic Co-operation forum (APEC) in various fields of energy. In order to enhance IEA-APEC co-operation on energy security, the IEA developed a Joint Programme on emergency preparedness for specialists from non-IEA APEC Economies and the ASEAN Centre for Energy (ACE). The IEA held an Emergency Response Training course (ERT) to provide information and to examine IEA emergency response policies and practices, including emergency response data gathering and analysis.

**2010/09/01 [Latest Global Energy Statistics Available:](#)**

What countries in the world are the largest energy producers by fuel? What trends are regions following in their energy consumption patterns? Who are the top-ten electricity importers and exporters? The IEA has just released the 2010 edition of its Key World Energy Statistics, a handy, pocket-sized booklet that addresses these and many other questions on energy facts and figures.