



A bright vision for energy in Europe

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The power sector has a new vision for the energy future of Europe – electricity to be decarbonised well before 2050

VISION FOR THE EUROPEAN ELECTRICITY INDUSTRY

WE, THE EUROPEAN ELECTRICITY INDUSTRY, COMMIT
to playing a key role to enable and sustain:

- A vibrant, competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

How to achieve this vision

WE BELIEVE THAT ELECTRICITY IS THE KEY TO

- customer value
- competitiveness
- energy security
- social and environmental sustainability

WE WILL LEAD THE COST-EFFECTIVE ENERGY TRANSITION

- to invest in clean power generation and transition-enabling solutions
- to transform the energy system to make it more responsible, resilient and efficient
- to accelerate the energy transition in other economic sectors
- to embed sustainability in all parts of our value chain
- to innovate and discover cutting-edge business models



We are decarbonizing electricity at an unprecedented pace

THE CO₂ EMISSION INTENSITY
FOR ELECTRICITY GENERATION
DECLINED BY MORE THAN 35%
BETWEEN 1990 AND 2014⁴;

g CO₂/kWh

500
450
400
350
300
250

1990

2014

Enabling the power sector to unlock value for other sectors as well

Strong need for **longer term price signals for investments** to ensure system adequacy: energy, flexibility and the availability of capacity must be properly valued to ensure that.

The **EU ETS remains a key tool to decarbonise** – a meaningful price is important, policy overlap must be addressed.

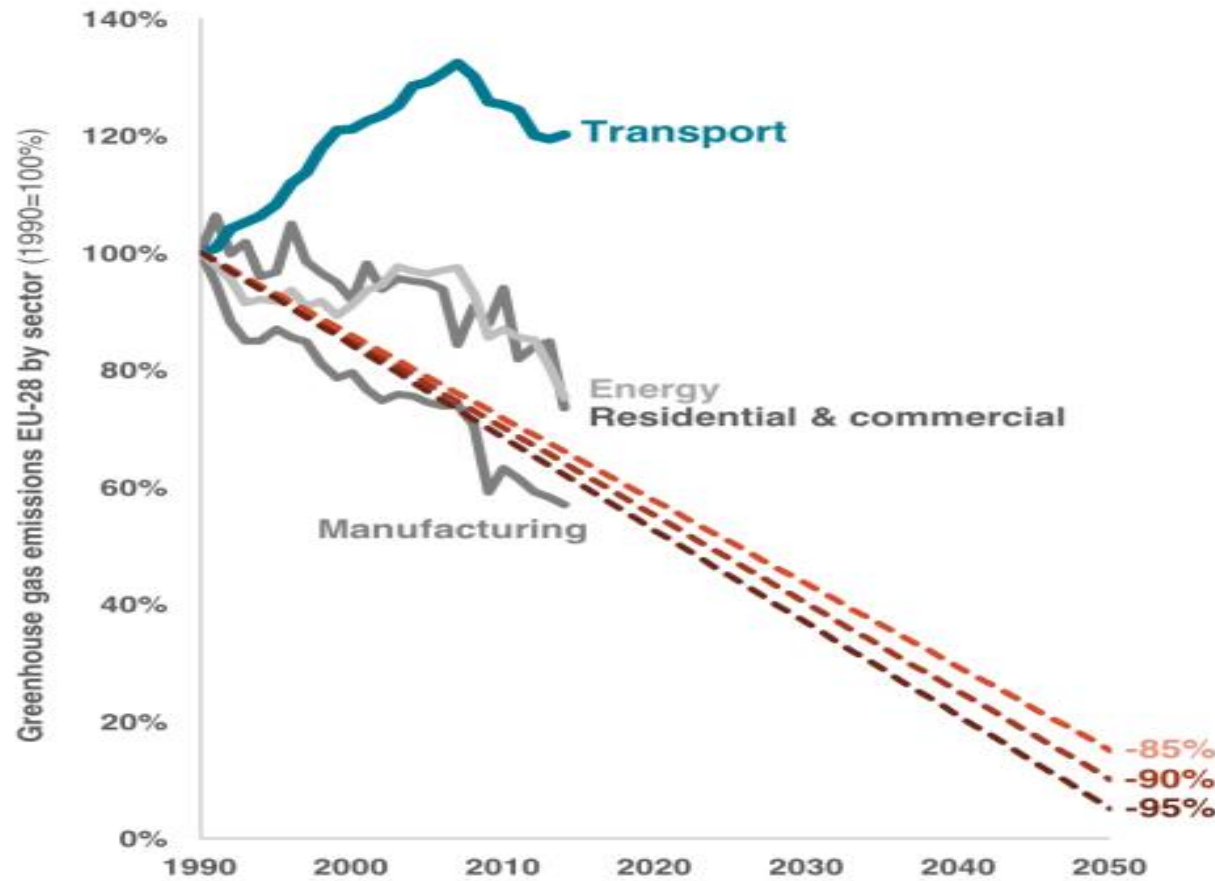
Where needed, **well-designed capacity markets** should provide signals for necessary existing capacity to stay online or new capacity to be developed.

RES Power Purchase Agreements (PPAs) are becoming relevant investment tools. Barriers to PPAs should also be removed and auctions/tenders should be well designed for cost-efficient investments.

Creating the right conditions for **demand response and flexibility** to thrive is valuable for industrial sites as well



Still a long way to go to decarbonise the EU economy of tomorrow



Source: ICCT graph, data EEA 2016

The next challenge: decarbonising industrial processes

<150°C

Electrification of processes requiring low heat temperature is already possible (sectors: chemical and pharmaceutical, food and beverage, paper, partially refineries)

160

million tonnes of steel per year are produced by the EU. Steel production is a **high temperature process**.

30%

of EU industrial CO₂ emissions in the EU are created by steel industry.

Low carbon steel production is possible using **electricity and hydrogen**





A bright future for energy in Europe – EEF dinner – 20 March 2018

