

December 2010

Letter from the Publisher:

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Energy and California

Jerry Brown (Democrat) will take over from retiring Governor Arnold Schwarzenegger (Republican). Edmund G. Brown, Jr., known as Jerry, was born in San Francisco on April 7, 1938. Brown was elected Governor in 1974 and reelected in 1978, by over one million votes. During Governor Brown's tenure, California significantly reduced taxes and built up the largest state surplus ever. His eight years in office are generally considered among the most innovative in California history. He established, in particular, the country's first building and appliance energy efficiency standards and made California the leader in solar and alternative energy.

Jerry Brown says: "When I was governor, California was the world leader in renewable energy and it led the nation in efficiency standards. Our programs saved California consumers billions and created nearly 1.5 million jobs. Until the early 1990's, nearly all renewable energy development in the US occurred in California, which at one time had more than 90% of the world's wind energy capacity. That has changed: China is now the world's top renewable energy producer, and Texas and Iowa generate more wind power than California. As we face the devastation to our job market caused by the mortgage meltdown and the Wall Street debacle, we need to find a way to get California working again. Investing in clean energy and increasing efficiency are central elements of rebuilding our economy. It will create hundreds of thousands of jobs, build the businesses of the 21st century, increase energy independence, and protect public health."

Given the disastrous economic situation in California, Jerry Brown has decided to adopt an unusual approach to setting up his administrative services: where these services are working well, he plans to keep the managerial staff, even if they were put in place by his predecessor. He intends to depart from traditional behaviour in a bid to save time and not add further to California's debts.

Jerry Brown is also the one who made California a "Nuclear Free State". Will he follow the opposite path?

Many economic officials believe that a return to the nuclear option is necessary and inevitable. There are already projects underway in this respect. Apart from the hostility of the majority of the general public, politicians dread the negative effect of the time this will take to accomplish and the costs of the initial investments. But many of them are already determined to head in this direction, even if they are still in the minority.

Jean-Claude Charrault Director General



News from the EEF

Upcoming events

2011/01/26 Dinner-debate Brussels — **The path to decarbonising the heat sector**, at the invitation of COGEN Europe

Speaker: Fiona Riddoch, Managing Director COGEN Europe

2011/01/27-28 Rescheduled: Delegation visit to France to Flamanville 3 nuclear power plant construction site and La Hague Recycling plant, at the invitation of AREVA and EDF

Past events

2010/11/24 Board Meeting: President, Treasurer, Vice-Presidents, Directors and the EEF Secretariat analysed the EEF membership requests, the guidelines for the events of 2011 and agreed on the EEF future organization.

2010/12/01 Dinner-debate: <u>Making the Renewables</u> <u>Market more competitive</u>, at the invitation of BDEW

Hildegard Müller, Member of the Board of Directors, Chairman of the Executive Board of BDEW presented the German debate and presented the options for a better market integration of Renewables in order to work towards a truly European Internal Energy Market. The ambitious target for 2020 set by the new Directive for Renewable Energy as well as the perspective of de-carbonising the energy system by 2050 both present massive challenges along the whole value chain of European energy systems. The actual national support schemes for renewable energy, well designed to kick-start the renewable energies development in the past, are facing more adjustments to cope especially with costeffectiveness constraints.

At this stage it is vital to keep in view how the support schemes can be optimised to reduce costs. One important aspect would be to introduce market elements, also with the perspective to integrate Renewables gradually in the internal energy market. For instance for the German model, it becomes more and more evident that the actual system is stretched to its limits and that fundamental adjustments are necessary.

At the same time, in the absence of an EU-wide harmonized support scheme, it is crucial to use the existing flexible mechanisms of the Directive in the best possible way for being able to exploit the Renewable Energy potential where it is most economical. How both aspects – market elements and flexible mechanisms – could work hand in hand?



Michael Wunnerlich (BDEW), Hildegard Müller (BDEW), Lambert van Nistelrooij (MEP), Marie Donnelly (EC), Eberhard Meller (EWE)



EEF Active Members

The office of MEP Norbert Glante, Vice-president of the EEF:

Petra Manderscheid and **Henning Schüchner** have been running Norbert Glante's Brussels office for over five years now.

Petra studied business and modern languages at University in Lyon and London and Henning has a degree in Administration Sciences from the University of Potsdam.

They both gathered working exprience in various institutions and entities throughout Europe before joining the team in the European Parliament.

Together they speak German, French, English, Dutch, Italian, Spanish and Romanian. <u>The office of MEP Romana Jordan-Cizelj, Vice-</u> president of the EEF:



After the European elections, new forces joined the office of

Romana Jordan Cizelj: **Metka Čavka** has recently completed her MA in European Administrative and Political Studies at the College of Europe in Brugge and deals with climate and environmental issues, while **Karina Medved** holds her BA degree in Political Science (International Relations) at the Univeristy of Ljubljana and is focusing on enery and industry matters.

News from the European Union

The EEF follows major EU long-lasting decisions

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

2010/11/17 <u>Non-opposition to a notified</u> <u>concentration - HC/Naturgas - Candidate case for</u> <u>simplified procedure</u>

2010/11/03 <u>Withdrawal of notification of a</u> concentration - CEZ/EPH/Mibrag Group

Third legislative package on EU Electricity & Gas markets

2010/11/10Commission Decision amendingChapter 3 of Annex I to Regulation (EC) No715/2009 of the European Parliament and of theCouncil on conditions for access to the naturalgas transmission networks

EU Energy Management, Security of Supply, Sustainable Development

2010/11/10 Energy: Commission presents its new strategy towards 2020

The European Commission presented its energy infrastructure priorities for the next two decades, aimed at making networks fit for the 21st century. In the Communication, the Commission defines EU priority corridors for the transport of electricity, gas and oil. This map of priorities will serve as a basis for future permit granting and financing decisions on concrete EU projects.

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

2010/11/23 Plan to modify the disposal of radioactive waste arising from the Comurhex II conversion facility, located at Malvési in France The Commission is of the opinion that the



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implementation of the plan to modify the disposal of radioactive waste in whatever form arising from the Comurhex II conversion facility located at Malvési in France, 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.

News from the Council of Europe

On 25 and 26 November, at the initiative of its Committee on Environment, the Parliamentary assembly of the Council of Europe organized, in Strasbourg, a <u>conference on nuclear energy</u>.

The Council of Europe invited the European Union to join the debate.

Herbert Reul, chairman of the ITRE committee of the European Parliament, co-chaired the opening session of the conference. He was joined by Aleksei Lotman, his counterpart for the Committee of environment of the Parliamentary assembly of the Council of Europe. The latter is reserved about nuclear energy, as opposed to Herbert Reul.

Romana Jordan-Cizelj, member of ITRE Committee, chaired the session on Education and Training in the nuclear field, a sector that she masters particularly.

The European Commission was also invited and Peter Faross, Director, presented the nuclear policy of the European Union. Mrs Ute Blohm-Hieber, Head of Unit of Nuclear Energy, Transport, Decommissioning and Waste Management was invited to speak on the content of the Council directive on the management of spent fuel and nuclear waste that the European Commission submitted to the Parliament and which is currently under discussion.

This proved once again the complementarity -which the European Energy Forum endeavors to highlight of both institutional systems. Management of spent fuel and radioactive waste

2010/11/03 Commission Proposal for a Council Directive on the management of spent fuel and radioactive waste

In the Directive put forward, Member States are asked to present national programmes, indicating when, where and how they will construct and manage final repositories aimed at guaranteeing the highest safety standards. With the Directive internationally agreed safety standards become legally binding and enforceable in the European Union.

EU Renewable Sector

2010/11/11 <u>Unspent EU money to fund clean</u> and efficient energy projects

The European Parliament voted on 11 November in favour of plans to release €146 million of unused EU funds to finance energy saving, energy efficiency and renewable energy projects. Amended legislation on the European Energy Recovery Plan (EERP) will channel the unspent money into a new fund, to finance projects such as:

• Renovations of public and private buildings to improve energy efficiency or switching to renewable energy;

• The construction of renewables-based heat-andpower installations, with distribution networks, and their integration into electricity grids;

• Clean urban public transport solutions, particularly electric and hydrogen vehicles;

• Local infrastructure, including efficient street lighting, electricity storage, smart metering and smart grids.

2010/11/17 FP7 Energy and SET-Plan: Brokerage Event

The event targeted a wide spectrum of companies, universities and researchers from Europe and beyond and supported primarily the following European Industrial Initiatives within the current FP7



Energy call:

- * Solar Europe Initiative
- * European Wind Initiative
- * European Bioenergy Initiative
- * European CCS Initiative
- * Electricity Grids Initiative
- * European Smart Cities Initiative

EU Research & Development Matters

ENERI 2010 was an event of the Belgian Presidency of the Council of the EU organised in cooperation with the Research DG of the European Commission. The Conference provided information on the update 2010 of the ESFRI Roadmap in the energy field, and a forum to open a debate on the development of a comprehensive strategy for energy research infrastructures within the context of the Grand Challenges and of the European SET-Plan.

2010/11/25-26 Brussels tables alternative funding plan for ITER

The European Commission staff presented on 26 November "an alternative approach" to fund the bloc's multi-billion euro ITER project for nuclear fusion. In the working paper Towards a robust management and governance of the ITER project, the European Commission admits that the governance and funding of ITER are "not well-suited to the direct management of the EU institutions". The alternative plan was discussed by EU ministers in charge of competitiveness at their meeting in Brussels on the 25-26 November. In its conclusions, the Council welcomed the efforts made so far to improve the management of the ITER experimental project on nuclear fusion, and reaffirmed the need to create the best conditions for ensuring the success of the project and to continue efforts in costs reduction.

EU International Relations

2010/11/04 <u>Yamal-Pipeline and Gas</u> Agreement between Poland and Russia

Günther Oettinger, EU Commissioner for Energy Statement:

"My services have met this morning with Deputy Minister Budzanowski. We welcome the clarifications he provided on the Operator Agreement between Yamal-owner "EuRoPol-Gaz" and the future operator of the pipeline "Gaz-System". Both sides emphasised the crucial role of further measures to be taken by the Polish Energy Regulator and the importance of the network code to be developed by Gaz-System. The Polish authorities will confirm in writing their commitment to ensure compliance with Polish and EU law through these implementing decisions."

EU-RUSSIA Energy Partnership

2010/11/22 <u>10th Anniversary of the EU-Russia</u> Energy Dialogue

"Energy is the life blood of our societies. The wellbeing of our people, industry and economy depends on safe, secure, sustainable and affordable energy. At the same time, energy related emissions account for almost 80% of the EU's total greenhouse gas emissions. The energy challenge is thus one of the greatest tests which Europe has to face. It will take decades to steer our energy systems onto a more secure and sustainable path. In the European Union, the energy challenges facing us are too overwhelming to be resolved by Member States individually. We are stronger acting together. The Europeanization of energy policy has already started.

However, Europe is not alone with these challenges. It cannot realise its energy objectives without close cooperation with the main suppliers. Russia is not only the main energy supplier of the European Union, but also a strategic neighbour. Joining efforts and resources, within a coherent and transparent framework, will help achieve stability and reduce



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uncertainty. This will be our task for the coming decades of the EU-Russia Energy Dialogue."

EU-USA Energy Relations

2010/11/19 <u>EU-US Energy Council – Press</u> statement

Energy is an important component of the EU-US dialogue in the 21st century, because it has effects

across our foreign, economic and development policies. By working together on energy, the EU and the U.S. are increasing our mutual security and prosperity; underpinning stable, reliable and transparent global energy markets; and coordinating our regulatory regimes and research programmes to speed the deployment of tomorrow's clean and efficient energy technologies.

News from

The EEF follows major international energy institutions

International Energy Agency (IEA) activity

2010/11/09 World Energy Outlook 2010

The 2010 edition of the World Energy Outlook (WEO) provides updated projections of energy demand, production, trade and investment, fuel by fuel and region by region to 2035. It includes, for the first time, a new scenario that anticipates future actions by governments to meet the commitments they have made to tackle climate change and growing energy insecurity.

2010/11/08 First phase of Smart Grid Technology Roadmap released

The IEA released the first phase of its IEA Smart Grid Technology Roadmap at the Korea Smart Grid Week on Jeju Island in South Korea. The IEA published its key findings and new regional CO2 emission reductions and smart grid drivers analysis. This smart grid roadmap document also provides advice on required actions for stakeholders to support smart grid development and deployment, including advice for electricity generators, system operators, government and regulators, technology and solution providers, consumers and environmental groups. Further publications related to the IEA smart grid roadmap will be forthcoming in the next several months.

2010/11/05 Energy Technology Perspectives 2010

To meet the challenges of energy security and climate change as well as the growing energy needs of the developing world, a global energy technology revolution is essential. This was the key message of the 2008 edition of Energy Technology Perspectives (ETP). But is this fundamental transformation happening? What are the key technologies that can play a role? What are the costs and benefits? And what policies do we need?

The new ETP 2010 explores such questions and many others, drawing on the extensive expertise of the International Energy Agency (IEA) and its energy technology network.

ETP 2010 presents updated scenarios from the present to 2050 that show which new technologies will be most important in key sectors and in different regions of the world. It highlights the importance of finance to achieve change, examines the implications of the scenarios for energy security and looks at how to accelerate the deployment of low-carbon technologies in major developing countries. It presents roadmaps and transition pathways for spurring deployment of the most important clean technologies and for overcoming existing barriers.