

## November 2010

# Letter from the Publisher:

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# Europe and Energy

The European Energy Forum had the honour and benefit of having Commissioner for Energy Günther H. Oettinger as its honorary guest at the dinner-debate of October 19th held in Strasbourg during the European Parliament's plenary session. The Commissioner opened the debate with his presentation entitled: "Europeanization of energy policy." The audience in attendance felt that the evening was a complete success.

In his closing remarks, Giles Chichester thanked the Commissioner for his intervention and referred more particularly to:

- the passion with which he talked about the Europeanization of energy, and his striking sense of vision
- his vision in his reference to Russia as a partner for constructive dialogue
- the realism with which he addressed the topic which was both refreshing and encouraging.

He added that the Commissioner was quite right about the divide and rule policy, something that we in Europe must guard against. He also congratulated the Commissioner for his impressive sense of humour. Interested readers can find the full text of the Commissioner's presentation <u>here</u>.

With respect to the European dimension of the energy issue, the Commissioner highlighted the following: "National sovereignty in energy is no longer an option when we have a single internal energy market, stretching from the Balkans to Scandinavia, from the Baltic to the Mediterranean. Energy independence is an illusion when gas can move around Europe from Greece to Ireland. Member States are not rivals vis-à-vis third countries. We are in the same team. The energy security of every Member State will be stronger and cheaper when the EU learns to speak with a single voice and leverage its real power."

He also announced an upcoming initiative: "The new energy strategy I will present early November will follow these broad themes. The various elements will be the main topics for the European Council's extraordinary meeting on energy on 4th February next year. The February Council is a unique chance to come to a more Europeanised energy policy, endorsed by Heads of State and Government. The European Council took the important step in 2007 on the energy policy targets. They can now help us push Europe towards a stronger, more coherent and more effective energy policy, for the good of all citizens. I welcome your support and input as we prepare for this important meeting."

<u>Interviewed</u> by the daily "Les dernières Nouvelles d'Alsace" (22.10.2010, Strasbourg) on the conclusions of the Special Committee on the Financial, Economic and Social Crisis, Pervenche Berès – a member of the Committee and the rapporteur for its conclusions – stated that: "The European Union is the only integrated area that does not view the issue of energy as a strategic one… We must negotiate the Union's supply contracts with a single voice…"

Taken together, the statements of Commissioner Oettinger and Pervenche Berès (also President of the European Parliament's Committee on Employment and Social Affairs) lead us to expect that significant progress will be made for European energy policy at the extraordinary European Council meeting of 4 February 2011."

Jean-Claude Charrault Director General



# News from the EEF

# **Upcoming events**

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

# **Upcoming internal meetings**

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

## **Past events**

**2010/10/14 - ITAC (Industrial and Technical Advisory Committeee) Meeting**: Giles Chichester (President), Edith Herczog (Vice-President), Herbert Reul (Vice-President), Samuele Furfari (EC Advisor), EEF secretariat and Associate Members analyzed the EEF new visual identity, reviewed the events that took place in 2010 and discussed the guidelines for the events of 2011. Associate Members have been invited to send their proposals for events for 2011 to the secretariat. The EEF reference scheme for future organisation was presented and approved.

**2010/10/19** - Dinner-debate Strasbourg — <u>Europeanisation of the Energy Policy</u>, at the invitation of the EEF



The EEF honorary guest, Mr Günther H. Oettinger,

Commissionner for Energy, presented the energy challenges that the EU Members States face today and the need for cooperation to deal with these challenges. He explained where the Europeanisation of the energy policy lies, which are the priorities and what role the European Parliament can play in the context of the European Commission's energy strategy. The Commisioner spoke about all the key aspects of the energy policy and concluded saying: « I rely on the European Parliament and our partners across society and industry to work with me to Europeanise our energy policy. In this way we can make sure that what we do benefits our economy, our environment and above all the citizens of Europe. » The speech is available on the EC website. The Commissioner thanked the EEF President and said that he would be pleased to speak again at an EEF event next year.

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



The dinner debate informed EU decision makers on the impact of efficient power generation technologies on the competitiveness of the European industry; research activities for cleaner energy production and increased energy efficiency in both the installed and future fleet; flexible energy production from a smart mix of energy sources and equipment and the role of



turbo machinery in reaching the fluctuating renewables portfolio objectives by providing a highly flexible power generation backbone.

Dr. Chris Floyd, President of EUTurbines and Business Development Director Rolls-Royce plc. analysed these points in the context of the Energy Efficiency Action Plan and EU funding of clean coal technologies, and discussed with the audience how Europe can continue to be the front runner in power generation technologies. 2010/10/27-28 Delegation visit to France to Flamanville 3 and La Hague reprocessing plant, at the invitation of AREVA and EDF

AREVA, EDF and the EEF have decided to postpone the visit to Cap de la Hague and Flamanville on account of the impact of strikes in France on the 28th of October. The EEF will try to re-instate the visit at some stage in the not too distant future.

# **EEF Members**

### **Associate Members**

News from Westinghouse



Westinghouse has moved in new Headquarters located in Brussels, *Avenue Louise* 

**326 box60, 1050 Brussels.** This follows the recent launch by Westinghouse of its new operating model, three regional organizations – serving Europe, Asia and the Americas. Mr. **Anders Jackson** has been appointed President of the Europe, Middle East and Africa (EMEA) region. Mr **Fernando Naredo**, Vice-President Governement Affairs remains the EEF main contact.

## **Active Members**

The office of Herbert Reul, Vice-President of the EEF and Chairman of the ITRE Committee of the European Parliament

After the European elections, the office of Herbert Reul welcomed a new colleague and is now composed of **Dominik Bach**, who is focussing on energy issues and has been working with Herbert Reul for three years, **Nina Elsweier**, who is in her second year and taking care of research and ICT dossiers and **Iris Bergmann** who was the latest to join the team and deals with industry and space matters.

# **News from the European Union**

The EEF follows major EU long-lasting decisions

### **EU Competition & Economic Matters**

2010/10/01 <u>Commission takes Poland to court to</u> <u>ensure compliance with European legislation on</u> <u>hydrocarbon</u>:

The Commission has decided to refer Poland to the Court of Justice of the European Union for failing to comply with European rules on the granting of authorisations with regard to hydrocarbon resources. The rules in question are intended to contribute towards better integration of the internal energy market, reduce costs and strengthen economic competitiveness. This decision follows the reasoned opinion sent to the Polish authorities in 2008.

2010/10/18 Prior notification of a concentration -GDF Suez/Certain Assets of Acea Electrabel -Candidate case for simplified:

The Commission received a notification of a proposed concentration pursuant to Article 4 of



Council Regulation (EC) No 139/2004 by which GDF Suez Energia Italia SpA ('GSEI', Italy) belonging to GDF Suez SA ('GDFS', France) acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of (i) Acea Electrabel Produzione ('AEP', Italy), and of (ii) Acea Electrabel Trading ('AET', Italy) both currently belonging to Acea Electrabel ('AE', Italy), a joint venture between GSEI and Acea SpA ('Acea', Italy), by way of purchase of shares. A number of AEP production assets will be transferred to Acea prior to the closing of the transaction.

## 2010/10/15 Prior notification of a concentration -HC/Naturgas - 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 Hidroeléctrica Del Cantábrico, SA ('HC', Spain), controlled by EDP-Energias de Portugal, SA ('EDP', Portugal) acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of Naturgas Energía Grupo SA ('Naturgas', Spain), by way of purchase of shares in an existing joint venture. Currently, Naturgas is jointly controlled by HC and Ente Vasco de la Energía ('EVE', Spain).

2010/10/07 <u>Non-opposition to a notified</u> concentration - CKI/HEH/EDF (UK Electricity Distribution Business) - Candidate case for <u>simplified procedure</u> :

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.

# EU Energy Management, Security of Supply, Sustainable Development

### 2010/10/07 <u>Results of the consultation Towards a</u> new Energy Strategy for Europe 2011-2020

The overall goal of European energy policy is to ensure that consumers and enterprises obtain safe, secure, sustainable and low-carbon energy at affordable and competitive prices. The challenges of global energy security and energy geopolitics, slow progress in combating climate change at the global level, the urge to recover on growth and jobs in the EU and the need to invest in tomorrow's energy networks call for a new Energy Strategy to further deliver on those objectives. Completing the internal energy market, achieving energy savings and promoting low-carbon innovation are the main vectors to reach the objectives of competitiveness, sustainability and security of supply. An open global business climate and a more coherent and effective approach to the EU external energy relations will also help us to reach our objectives. The results can be found here.

## **EU Oil Sector**

## 2010/10/13 Offshore oil drilling: European Commission envisages EU safety rules:

The European Commission for the very first time envisages comprehensive EU legislation on oil platforms aimed at ensuring the highest safety standards in the world. In the Communication on the safety of oil and gas activities the Commission contemplates new EU standards, including criteria for granting drilling permits, controls of the rigs and safety control mechanisms.

#### **EU Nuclear Sector**

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

2010/10/18 Modified plan for the disposal of radioactive waste arising from the Georges Besse II enrichment facility, located at the Tricastin site in France:

The Commission is of the opinion that the implementation of the modified plan for the disposal of radioactive waste in whatever form arising from the Georges Besse II enrichment facility, located at the Tricastin site 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.

#### **EU Renewable Sector**

# 2010/10/19 <u>Study on *Renewable energy non cost</u> <u>barriers</u> is now available:</u>*

The "non cost" problems faced by renewable energy planning, consumer awareness, grid include connection and grid access, installer training and qualifications. These problems are known about in many Member States, and the new directive on renewable energy requires Member States to take a range of actions to reduce them. The abovementioned study was undertaken by the European Commission to help Member States review their administrative regimes and work out how best to implement the related articles of the Directive. It includes interviews with certain Member State governments and other stakeholders and tries to present a balanced picture of the state of these barriers in all Member States and includes some recommendations for reforms.

### **EU Environment**

### 2010/10/29 <u>Guidelines to reconcile wind energy</u> development and biodiversity policy:

While in general terms wind energy does not represent a threat to wildlife, poorly sited or designed wind farms can have a negative impact on vulnerable species and habitats. That's why the European Commission has published <u>guidelines</u> for wind energy development in protected natural areas. The guidelines apply to the Natura 2000 network, a cornerstone of EU biodiversity policy and a key tool to achieve the EU target of halting and reversing biodiversity loss by 2020. Wind energy has an important role to play in meeting the EU target of 20% renewable energy in Europe's total energy consumption by 2020, and its deployment in Natura 2000 areas is not automatically excluded.

# Third Energy Package: Climate action and renewable energy

## 2010/10/21 <u>3rd meeting of the Citizens Energy</u> Forum :

Commissioner Oettinger offered to draw up a report, the content of which will be up for discussion at the Transport, Telecommunications and Energy Council on 2 December 2010. The Presidency recommended this document to contain an overview of the existing EU energy policies that can directly or indirectly contribute to making the energy policy more consumer friendly, as well as presenting best and worst practices, examining the feasibility of a framework definition of the term 'vulnerable customer', measuring to what extend the EU is hit by the Energy Poverty phenomenon, and considering concrete measures to ensure a better access to affordable energy. You can find the conclusions of the meeting <u>here</u>.

# **EU Institutions Activities**

# EU Speeches, Presentations, Statements, Open Letters,...

2010/10/01 <u>Günther H. OETTINGER EU</u> Commissioner for Energy: *Renewable Energy* 2000-2010 – Trends and Outlook for the Future

"Let me congratulate EREC and others in this room that have already helped put renewable energy policy at the forefront of energy policy. It is evident that we have come a long way, but it is also clear that many challenges remain. We need to develop our thinking on many issues to realise the long-term benefits of renewable energy. I trust that we can continue our excellent cooperation also to tackle these new challenges," said Commissioner Günther H. Oettinger at the 10th Anniversary EREC Conference. The speech can be found <u>here</u>.



2010/10/01 <u>Günther H. OETTINGER, EU</u> Commissioner for Energy: Energy challenges of the next ten years – the need for a European common policy:

At the Stakeholder Conference on preparation of Energy Strategy 2011-2020, Commissioner Oettinger said: "Continuity, but innovation. Stability, but stronger, bolder, better prioritisation. Actions, not words. This is what you have told us you want. And this is what we will do in our new strategy.

European cooperation in energy is not yet fully mature. But further integration in energy policy really is the only way forward. It has started working for renewables policy, for the internal market, emergency situations, such as the gas crisis in January 2009. Now we need to make it work continuously across the whole energy spectrum, across the whole economy and for the longer term.

This strategy is very much about the actions to be undertaken in the coming eighteen months to realise our 2020 goals. We should not lose sight of the longer term. Our 2050 overall decarbonisation goals are clear in terms of emission reduction. What is needed is to qualify the actions to be taken around clearly identified milestones in order to ensure that all three energy objectives will be met: sustainability, competitiveness and security. I have seen several scenarios which suggest that this is not only technically feasible, but would indeed make us more competitive. I would like to explore the next steps in an Energy Roadmap for 2050. For this I will start a consultation in November. Your contribution will be critical."The speech can be found <u>here</u>.

# **EU International Relations**

### **EU-AFRICA Energy Partnership**

2010/10/26 <u>A realistic option? Speech of</u> <u>Commissioner Oettinger at Desertec Industrial</u> Initiative :

"We have the ambitious task that Desertec is accepted and promoted not only from the business world but also from the political actors. This is a joint project and without the political will to make it work both in the EU and in Northern Africa, the project cannot fly. I am committed to work towards it together with my partners in Northern Africa, the countries which constitute the extension to the South of the EU next to Spain and Turkey. I will be happy to invite them to Brussels to pursue this dialogue in the next six months. To pursue the same overall goals and have a coordinated approach is vital to permit that both Europe and Northern Africa mutually benefit from each other." The speech can be found <u>here</u>.

# **News from**

The EEF follows major international energy institutions

### International Energy Agency (IEA) activity

#### 2010/10/14 Chile applying for IEA membership :

Since May 2010, Chile is the OECD's 31st Member and its first in South America. Chile's like mindedness with IEA Member countries promises a mutually beneficial relationship. This will help the IEA to broaden and deepen its understanding of the Latin American region. Chile's membership in the IEA would help bolster its energy security and diversification of it energy economy.

2010/10/11 <u>New IEA Policy Pathways Series</u> shows the way on how to substantially improve implementation of energy efficiency recommendations:

A lack of technical capacity and know-how hinders many governments from capitalising on the full



potential of energy efficiency. Over 40% of the 25 energy efficiency policy recommendations made by the International Energy Agency [in 2008] have not yet been implemented. The recommendations alone could - if implemented globally without delay - save 8.2 Gigatonnes (Gt) CO2 per year by 2030 (the equivalent of twice the European Union's current yearly emissions). The new IEA series Policy Pathways: Showing the way to energy efficiency implementation now aims at closing this implementation gap.

# Organization of the Petroleum Exporting Countries

#### 2010/10/20 OPEC 50th Anniversary:

Since OPEC was formed in September 1960, much has changed in the oil industry and the world at large. To celebrate the 50th Anniversary, six achievements have been highlighted. These help provide an understanding of where the Organization has come from, how it has developed and how these achievements can be built on in the future.

- 1. Secure and steady supply of oil
- 2. Fifty years old a success in itself
- 3. Sustainable development
- 4. OPEC and the environment
- 5. Encouraging dialogue and cooperation
- 6. Strengthening of National Oil Companies

## 2010/10/14 Opening address to the 157th Meeting of the OPEC Conference - Conference approves new Long-Term Strategy:

OPEC has adopted a new and comprehensive Long-Term Strategy (LTS) at its Ministerial Conference that ended in Vienna on 14 October. The LTS, which has been prepared over the past year, provides a clear and consistent framework for the Organization's future. The development of the new LTS was entrusted to Member Countries' Deputy Ministers of Petroleum/Energy through a series of high-level meetings.

### World Energy Council

## 2010/10/03 Speech of Mr. Pascal Lamy, Secretary General of the World Trade Organization:

"A basic point that may enable you to convince the WTO to address energy more fully, would be to reassure its Members that in so doing, they would not be ceding sovereignty. Quite to the contrary, they would be sovereignly deciding to create a more reliable international system for trade in energy. Bringing greater law and order to this complex field could turn out to be one of the best sovereign decisions ever made," said Mr Pascale Lamy at the 21st World Energy Congress that took place in September, in Montreal.