

EEF Information Bulletin



Editorial

Preparing the events with EEF members

The EEF held successively an ITAC meeting with its Associate members and a Bureau meeting in late October. These 2 meetings allowed discussing with members the way forward for the EEF in 2017.

The main conclusion that arose from these 2 meetings is the need to organise more joint events combining point of views of different stakeholders and making sure that different opinions will be presented and debated.

Members of the EP are very receptive to the visits proposed by Associate Members.

As regards membership, 5 new Associate Members have joined the EEF in 2016 and the board has seen a broadening of its members too, diversifying in terms of countries and political parties. Efforts will be pursued to continue broadening views and members in the EEF.

The EEF secretariat is looking ahead to the New Year taking all remarks into account.

Pascale Verheust
Director General

Upcoming events

22 November 2016

Dinner-debate in Strasbourg

Gas and Renewables: the right combination for a sustainable future?

At the invitation of **IOGP**



29 November 2016

Dinner-debate in Brussels

Poland – from a 'gas island' to the European gas hub?

At the invitation of **PGNIG**



17 January 2017

Dinner-debate in Strasbourg

Energy Innovation : what gas can offer

At the invitation of **Eurogas**

6 February 2017

Dinner-debate in Brussels

Brexit is coming: what are the implications for the EU and UK energy markets?

At the invitation of **National Grid**



Industrial Technical Advisory Committee Meeting (ITAC)



EEF events

A differentiated approach to ETS for highly exposed industries

4 October, Strasbourg

Dinner-debate hosted by Fertilizers Europe



October saw the adoption of ITRE Committee's legislative opinion on the post-2020 reform of the EU Emissions Trading System (ETS). The adoption in ENVI Committee and final vote in plenary session are foreseen respectively for December 2016 and February 2017.



In this context, the EEF organised a dinner-debate focused on the revision of the EU ETS from the perspective of industries at risk of carbon and investment leakage. The event was hosted by EEF Member **Fertilizers Europe**, the European association representing manufacturers of fertilizers. **Javier Goñi del Cacho**, President of Fertilizers Europe, opened the dinner-debate with in-depth explanation on the process of production of fertilizers, which involves combining nitrogen from the air with hydrogen, and the inherent release of carbon dioxide associated to it.



Despite having some of the most energy efficient plants in the world, the European fertilizer industry is very energy and trade intensive, and is therefore identified by the European Commission as one of the most exposed to carbon leakage. The industry is already facing investment leakage challenges because new production plants have been built outside of Europe, Javier Goñi pointed out.



Over the past decade, the European fertilizer industry has achieved over 50% of emission reductions. However, the industry feels constrained by technological progress in order to further cut CO₂ emissions. For the post-2020 ETS reform, Fertilizers Europe advocates for "benchmarks [which] should reflect achievable technical progress".

A number of energy-intensive industries (chemical, cement, refining etc.) were also represented at the dinner-debate. The presentation launched a fruitful discussion on future technology options such as carbon-capture and storage and carbon utilization as well as the need for an innovation fund.



EEF events

Smart Energy

18 October, Strasbourg

Lunch-debate co-hosted by European Energy Forum and European Internet Foundation



The EEF and the EIF have cooperated in the past to offer its members a forum to discuss the interaction between Energy and ICT. Never has a co-hosted dinner debate been so timely as this month, when **Dominique Ristori**, Director General, accepted the Fora invitation to address the audience about digitalisation, cybersecurity and the consumer that is at the heart of the policies.



MEP **Pilar del Castillo**, President of the EIF and Vice-President of the EEF, opened the floor by underlining the winning alliance between ICT and Energy both in terms of growth and competitiveness. In the same spirit, MEP **Jerzy Buzek**, President of the EEF, added that there can be “no Energy Union without Digital Union”.



Technological development has enabled the emergence of a new bridge between the energy sector and the digital market. Director General Ristori stressed the importance of strengthening the synergies between the two sectors as well as of accelerating the use of ICT in the energy system for three main reasons: modernizing and improving the efficiency of the energy sector, securing energy systems and allowing energy consumers to be active market players. The synergy between ICT and Energy can become a strong driver for innovation in Europe’s industrial sector.

To achieve this potential, the EU needs the right incentives and policy framework. **Folker Franz**, representative of ABB, recalled that one of the most crucial issues is to improve confidence and encourage the industry and grid operators to take new technologies into use. According to **Roberto Zangrandi**, special adviser at EDSO for Smart Grids, “smart grids have to be digital grids”. He insisted on the sensitivity about data collection and the need of a “strong ethical approach” when using and applying technical, commercial and personal data.





EEF events

Electricity's role in fostering emission reduction in the non-ETS sectors (Transport & Buildings)

25 October, Strasbourg

Dinner-debate co-hosted by Enel and EURELECTRIC



Two EEF members, Enel and EURELECTRIC, showed the importance and interest in joining forces when organising an event that proved to be extremely informative and triggered an animated debate. The discussion focused on non-ETS sectors, notably buildings and transport, which have a target of 30% decarbonisation.



According to **Hans ten Berge**, Secretary General of EURELECTRIC, who was one of the keynote speakers at this dinner-debate, the current challenge now is to ask consumers to decarbonise. Mr ten Berge explained that the decarbonisation of the generation assets *“doesn’t make sense without the decarbonisation of the transport sector”* by using electricity, hydrogen or biofuels as an alternative to fossil fuels, despite the price of these technologies that could, at present, be less competitive. Concerning buildings, the 60% dependence on fossil fuels in heating and cooling systems could be addressed through electrification, by promoting the use of heat pumps.

However, the lack of a competitive electricity price is blocking the process. As explained by the head of EURELECTRIC, “*surcharges for decarbonisation are all put in the electricity price*”. This results in a retail electricity price 10 times higher than the wholesale price.



The second speaker, **Daniele Agostini** compared the multiplicity of benefits of electrification in the residential and transport sectors to the use of smart phones, which can be employed for multiple purposes. As well as providing heating and cooling or enabling people's circulation, heat pumps and electric vehicles can store and generate electricity to be released when needed into the grid. In addition, electrification is an alternative to security of supply challenges.



Oliver Koch, Deputy Head of Unit in the Internal Market Unit of DG Energy, highlighted the importance of automation in buildings in the coming years. On transport, he recalled that the Commission is putting in place strategies on emissions standards and plug standardisation. He concluded by highlighting the importance of the market framework in both sectors, as well as the need to break with some dogmas in the current moment of transition, such as support to long-term contracts and renewables subsidies.



News from EEF Members

Homage to Ana



The European Energy Forum recently lost a very dear member. This newsletter cannot be sent out without paying homage to Ana Aguado who passed away last month. Ana was a friend to many of us and a most positive, energetic and happy member of our energy family. She has been following the EEF activities through her different positions in the European Commission, Eurelectric, ETSO, the European University institute, Friends of the Supergrid and recently, EDSO for Smart Grids.

We will remember Ana for her enthusiasm, optimism and passion as she would want us to do.

On behalf of the EEF, we would like to express our condolences to the family.

New representative of Total to the EEF



Arnaud Chaperon

Arnaud Chaperon was appointed Director for European Affairs of Total group on 1 September.

Mr Chaperon joined Total in 1980 as a geophysicist. 7 years later, he was appointed Director for Gas at the Japanese branch and then representative of the group in Taiwan. He returned to France in 1993 as responsible for International Trade of Gas and Liquefied Petroleum Gas. In 2002, he was appointed Director General of Total in Qatar and after this experience abroad, he went back to Total's headquarters to become Director for Electricity and New Energies, as part of a department created to develop Total's position in the renewable energy sector.

Mr Chaperon graduated as an engineer at the Ecole Nationale Supérieure des Techniques Avancées (ENSTA).



News from EEF Members

New representative of E.ON to the EEF



Marcus Franken

Marcus Franken is Head of the EU-Representative Office of E.ON SE in Brussels since June 2016.

Prior to this, Mr Franken was Senior Manager for Public Affairs at the same office during 4 years. From 2008 to 2012, he worked at E.ON AG Group Management in Germany as Manager for Political Affairs.

During the previous 4 years, Mr Franken worked at the office of Dr. Joachim Pfeiffer (Member of Parliament) and was Energy Policy Spokesman of the Christian Democratic Party (CDU/CSU) in the German Parliament.

Marcus Franken holds an MA in Economic Geography, Economics and Political Science from RWTH Aachen University.