



EURELECTRIC Priorities for 2010

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CEO declaration

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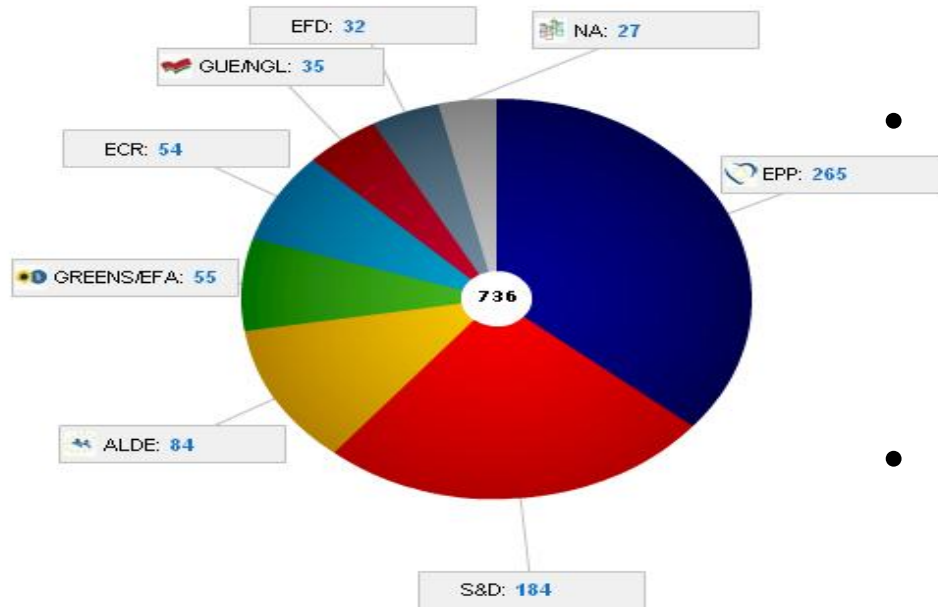
1. CO₂-neutral power supply by 2050

2. Well-functioning internal power market

3. Electricity as a solution



New EU institutions



- European Parliament: victory of centre-right, defeat for social democrats -> a more business-minded EP?

- New Commission set-up
 - New Climate Commissioner portfolio
 - Who will be Energy Commissioner?
 - DG TREN -> DG Energy & Climate?





'Energy and climate are today's coal and steel'

- elements of the energy agenda for the new Commission

- “Turning climate change challenge to our competitive advantage”
- “Europe to lead on climate change”
- “Maintain momentum towards... decarbonising our electricity supply and the transport sector... as well as the development of electric cars.”
- “Major initiative to help EU anticipate the [climate] change that is already happening.”



*“Political guidelines for the next Commission”
– Jose Manuel Barroso, 3.9.2009*



Highlighting electricity as a sustainable solution

Vision set by the Power Choices study:

- 75% reduction in CO₂ by 2050 requires carbon-neutral electricity
- We can deliver with the right market design and incentives
- Demand-side shift to electro-technologies



Energy Policy: Renewables

- Renewables directive:
 - Promotion of use of co-operation mechanisms in National Action Plans (NAPs)
 - Analysis of Member States' forecast documents (early 2010) and then NAPs (from July 2010)
- Impact of intermittent renewable generation on other power generation
- Biomass – sustainability criteria, availability, markets



Energy Policy: CCS + Thermal

- Ensure appropriate CCS demonstration funding
- Ensure public acceptance of CCS, especially storage
- Focus on market solutions rather than CO₂ emissions performance standard (IED)
- Gas supply crises: explore fuel switching capabilities of existing gas-fired generation



Energy Policy

- Promote the role for nuclear power; EC proposals planned on decommissioning & waste management
- Supply security: gas regulation and investment monitoring
- Power demand drivers – exploring the demand side transition to electricity and its implications for generation



Energy Markets priorities for 2010

- Promote top-down strategy on market integration
 - Roadmap on regional market integration
- Recommendation on appropriate integration of Renewables into market
- Ensure ERGEG and ENTSO-E to adopt a proper consultation mechanism
- ENTSO 10-year interconnection plan
- Explore and stimulate promote progress towards EU-Russia market integration



Global carbon markets

- Promoting global carbon market and integrating carbon pricing in all sectors:
 - Avoid double regulation: Markets vs CO2 environmental performance standard (EPS)
 - Prepare “Issues Paper” on carbon market linkage
 - Support integrity of EU ETS model
 - Support International Electricity Partnership



Climate policies

- Implications from Copenhagen
 - Result: a new framework, but little detail?
 - Possible 30% by 2020 target for Europe
 - Trading/non-Trading split
- Climate change adaptation (and integration with mitigation)
 - Decide process for coherent and effective response
 - Establish relationships with relevant experts and expert bodies
 - Engage with Commission re representation in the Impact and Adaptation Steering Group (IASG)
 - Habitats, Water Framework Directive, IED permit framework conflicts



Environment and Efficiency

- Increased energy efficiency focus
 - Role of electricity in decarbonising transport accepted
 - Similar (potentially larger) opportunity in heating/cooling
 - New Energy Efficiency Action Plan being prepared (early 2010)
- Environmental Protection
 - Resumed adoption of Industrial Emissions Directive
 - Air emissions, climate-energy and security of supply



Retail Energy Markets

- Action Plan for well-functioning retail markets
- Provide platform to create a European Retail Market
- Monitor implementation of the DG SANCO recommendations on billing
- Monitor and advise on the implementation of smart meters roll-out



Grid network issues

- ACER to establish best practices for setting tariffs that are followed by all their members
- Grids must be able to accommodate dispersed and intermittent generation and empower market participants (technology and market model)
- Mass introduction of plug-in electric vehicles



Eurelectric strategic focus 2010

All activities in energy policy, markets, networks and environment should help to achieve progress in the focus areas:

- 1. CO2-neutral power supply by 2050**
- 2. Well-functioning internal power market**
- 3. Electricity as a solution**