

Energy Transition: A Multifaceted Challenge for Europe

1st Symposium: Securing Europe's electricity supply – Making the switch towards an integrated and long-term approach

5th May 2015, 9:00 to 13:00, Press Club Brussels Europe

Key Sponsor of the 2015 series of events



Background of the project

The European energy context is rapidly changing both internally, with the adoption of the new 2030 Climate and Energy Package and the necessary completion of the EU internal energy market(s), and externally, with the growing tension over the EU's security of energy supply, the increasing volatility of oil prices, and the upcoming major climate conference in Paris. Against this backdrop, 2015 will be a year of critical decisions for EU energy policy. Egmont – Royal Institute for International Relations and the Development Group are convening a series of **three EU Energy Symposia** followed by a **High Level Energy Conference** in Brussels in order to explore the 'Energy Transition: A Multifaceted Challenge for Europe' project they initiated three years ago.

The intense discussions held during the previous series of events showed that many questions related to the European Energy Transition towards a low-carbon economy require further in-depth analysis and debate. Therefore the four 2015 events address issues that are **at the core** of the development of a resilient **Energy Union with a forward-looking Climate Change Policy**, as advocated in President Juncker's political guidelines for the new Commission:

- **1st Symposium:** Securing Europe's electricity supply – Making the switch towards an integrated and long-term approach (5 May 2015)
- **2nd Symposium:** Security of gas supply in the EU – What actions should be taken internally and externally? (23 June 2015)
- **3rd Symposium:** The EU Emissions Trading Scheme (ETS): Restoring its inner credibility and its coherence with other policies and instruments. (8 September 2015)
- **High Level Energy Conference:** The EU energy and climate strategy: a model to promote at the 2015 global climate conference in Paris? (9 November 2015)

This forward-thinking project aims to foster an intense debate at EU level by bringing together the **views of EU decision-makers with those of industry and other energy stakeholders** active in Europe.

1st Symposium: Securing Europe's electricity supply – Making the switch towards an integrated and long-term approach

Energy stakeholders and EU Member States are increasingly concerned over the mid- to long-term security of the electricity system. The factors threatening the system are numerous and heterogeneous, including: the key issue of generation adequacy; the integration of the massive deployment of renewables into the grid; the insufficient development and expansion of electricity grids

and interconnections within the EU; the lack of demand-side mechanisms and storage facilities for more flexibility; the uncoordinated development of national support policies; the lack of investments in certain segments of power production; and the volatility of the regulatory frameworks at EU and national levels, combined with a complex and uncertain global and regional energy context.

The main answer to this complex equation so far has been the adoption of national capacity remuneration mechanisms and national ancillary services in order to maintain the electricity systems balanced. Consequently, the security of electricity supply is currently more driven by national policies than by an integrated and cost-effective European approach. This lack of coordination and cooperation between member states might dangerously throw energy policy back into national policies, threatening the completion of the European internal electricity market. In this context, it is crucial to discuss how to overcome the current fragmented and short-term approach with respect to security of electricity supply and to what extent a shift of governance from the national level to the regional and European level is necessary.

Against this background, **the Symposium aims to address, among others, the following key issues:**

- How can national capacity remuneration mechanisms be coordinated at EU level? What is the impact of these mechanisms on investment decisions in the power sector?
- Are the new Guidelines on State aid for environmental protection and energy sufficiently defined to secure generation adequacy, while avoiding significant new distortions of the internal electricity market?
- How can the integration of an increasing share of renewable energy sources with the development of infrastructure and interconnections be managed in a timely manner?
- How can investment in storage facilities and demand-side management technologies such as smart grids be promoted so as to improve the flexibility of the electricity system?
- What will be the impact of the expected increase in power prices on the security of the electricity system? How can the EU and its Member States handle and mitigate it?
- How can the heterogeneity of national electricity systems be reconciled in a common EU approach?
- How can the European governance and the regional dimension (intermediary step to an EU integrated market) be strengthened?
- What role and responsibility could energy regulators, operators (TSO/DSO), utilities, investors and consumers play?

Programme

General procedure: The moderator will briefly introduce the topic and the speakers. Each speaker will then make a presentation for no longer than 10 minutes. Afterwards, the discussant will comment on these presentations and raise the questions he/she might find of interest (around 10 minutes). The moderator will then launch the discussion with all participants.

09:00 – 09:15

Welcome address

Claudia HERING, Head of Public Affairs, Development Group and
Clémentine d'OULTREMONT, Research Fellow, Egmont Institute.

09:15 – 09:30

Keynote address:

- Florian ERMACORA, Head of Unit Internal Energy Market II: Wholesale markets; electricity & gas, DG Energy, European Commission

09:30 – 11:00

Session 1: What are the main barriers to the completion of the EU internal electricity market?

Speakers:

- Michel MATHEU, Head of EU Strategy in the Public Affairs Division, Electricité de France (EDF)
- Olivier FEIX, Head of Communications & Public Affairs, Elia Group and Vice-Chairman of the Board of the Renewables Grid Initiative
- Wolfram VOGEL, Director Public Affairs & Communications, European Power Exchange - EPEX SPOT SE

Discussant: Dagmara Maria KOSKA, Member of Cabinet of Maroš Šefčovič, Vice-President Energy Union, European Commission (tbc)

Moderator: Viscount Etienne DAVIGNON, President, Egmont Institute

11:00 – 11:30

Coffee break

11:30 – 13:00

Session 2: What are the next steps towards an integrated and long-term electricity market?

Speakers:

- Holger GASSNER, Head of Strategy & Regulatory Affairs, RWE Innogy
- Harry VERHAAR, Head of Global Public & Government Affairs, Philips Lighting
- John SINNER, Senior Energy Economist, European Investment Bank

Discussant: Stephen WOODHOUSE, Director and Head of Market Design Group, Pöyry Management Consulting

Moderator: Clémentine d'OULTREMONT, Research Fellow, Egmont Institute

13:00 – 14:00

Lunch

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