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CLIMATE CHANGE, ELECTRICITY MARKETS AND SUPPLY SECURITY: EUROPEAN ELECTRICITY CEOs ASSURE EU ENERGY COMMISSIONER OF THEIR JOINT COMMITMENT TO ACTION

European electricity companies will strive to achieve a carbon-neutral power supply by 2050, work for an integrated European electricity market that will deliver power cost-efficiently and reliably, and promote energy-efficient electricity applications as a key part of the solution to the great energy-climate challenge. This is the core of a Declaration* handed over today to EU Energy Commissioner Andris Piebalgs by sixty electricity Chief Executives. The CEOs, meeting in Brussels to discuss key energy issues, explained to Mr Piebalgs their view that to achieve this means deploying all economic low-carbon power generation options, developing a single European market through progressive regional integration, and engaging with customers and regulators to ensure take-up of energy-efficient electro-technologies. They called on the Commissioner and his fellow European policymakers to ensure a framework conducive to attaining these objectives.

CEOs from power companies in 27 countries, jointly producing 2500 TWh electricity per year, equivalent to over 70% of total European power generation, met on the eve of the European Council in Brussels, where EU government heads are scheduled to discuss an economic recovery plan and major energy and climate issues.

Summarising the key points of the Declaration, EURELECTRIC President Lars G. Josefsson said: *"Today the European electricity industry is making a clear commitment to achieving a carbon-neutral sector by mid-century. At the same time I and my fellow CEOs have reiterated our belief that a competitive functioning market is the best means to deliver on this goal in a cost-effective manner while also ensuring the basic imperative of supply security - ie keeping the lights on and delivering reliable power to citizens and industry."*

The President explained that carbon-neutrality means reducing emissions and offsetting any unavoidable emissions - applying for both a transparent and verifiable measuring process - such that net calculated carbon emissions will equal zero.

The Declaration expresses the CEOs' conviction that in order to achieve this carbon neutrality while also ensuring supply security across Europe, electricity companies will require access to a broad range of power generation options – efficient clean fossil technologies, including carbon capture and storage, high-efficient combined heat & power, and nuclear power, alongside new renewable energies. A crucial factor here is also to simplify licensing procedures for new build.

The electricity industry is highly capital-intensive - the European power sector will require some €1.8 trillion in investment in order to replace ageing plant, develop the grids, meet new demand and deliver on environmental targets. The industry therefore needs a stable, coherent and market-oriented regulatory framework and access to liquid capital markets.

Policymakers have a crucial role to play here. They should also work for a worldwide approach to the global challenge of mitigating greenhouse gases, increase support for R&D and CCS-demonstration, recognise the desirability of market-based electricity prices and a market-based approach to integrating renewable energy into the system, says the Declaration. Policymakers should moreover work with industry on standardisation to enable deployment of electric road vehicles, ensure public information and encourage consumers to choose climate-friendly products, the CEOs stressed to Energy Commissioner Piebalgs.

***Available at www.eurelectric.org**

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