

Presidency Manifesto

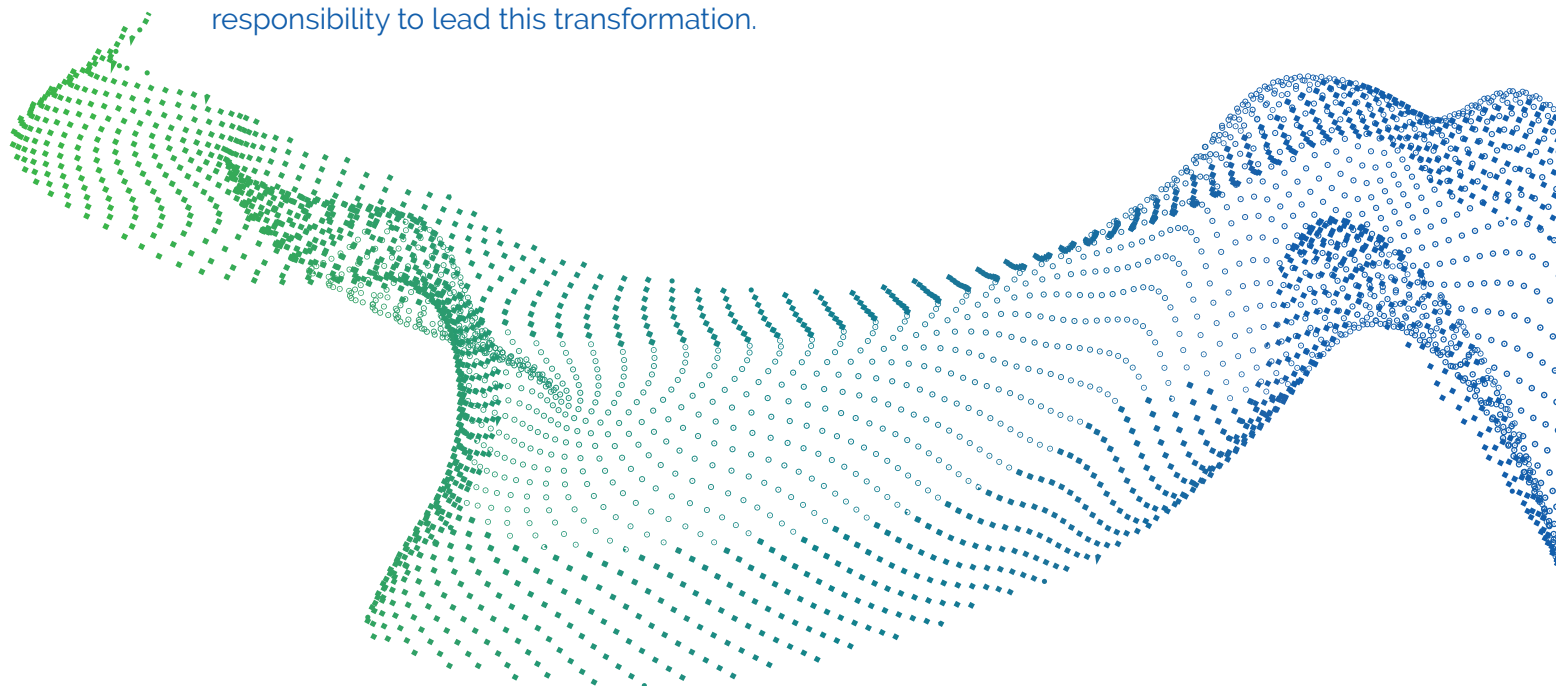
2017-2019

Change mindset, embrace the future and transform the present to lead the energy transition in the years to come

The electricity system is living an unprecedented transformation. Technological disruption, decentralization and innovation are radically changing traditional paradigms, tearing down sector barriers and showing potential synergies among the various parts of the value chain.

At the same time, electricity is becoming increasingly efficient, more sustainable, more competitive and will play a key role in solving some of the toughest challenges of our times: decarbonizing the economy, reducing pollution in cities and using energy more efficiently in buildings and transport.

The European electricity sector - represented by EURELECTRIC - has the responsibility to lead this transformation.





1 CHANGE MINDSET

To make sure we can have an impact we need a new mindset in order to:

- **Embed sustainability** to maximize the social and environmental value that the electricity sector is creating for society and achieve the fair and inclusive development defined in the UN Sustainable Development Goals
- **Speed-up and become more agile** to make sure we stay at the forefront of this transformation and do not become passive victims of the change. Proactivity will be a key value since time is our most aggressive competitor
- **Engage openly** with technology providers, customers, cities, communities and other industries involved in the energy transition. The transformation we are facing runs deep and requires an unprecedented level of collaboration and coordination among industries and among countries to create a more efficient system. We should partner as never before with non-energy industries such as automotive, construction and ICT to create value outside our traditional boundaries

2 EMBRACE THE FUTURE

Embracing the future means creating long-term value for our companies, stakeholders and the overall society. It means harnessing and reinforcing the value-chain synergies. It also means establishing market rules that enable medium to long term investment decisions.

To do that we need to:

- **Accelerate and broaden electrification**, especially in the transport and heating & cooling sectors. This is a key contribution our industry can provide to build a low-carbon future and meet the commitments pledged in the Paris Agreement. Electrification is also an opportunity to address air quality, reinforce and modernize European value chains and strengthen our competitiveness on a global scale
- **Innovate and build new cross-sector business models**, to make sure our industry can keep creating value in the next decades. Digitalization, distributed generation and technological progress are changing the fundamentals of our business and showing unprecedented interactions. If our industry wants to retain its pivotal role, we need to discover innovative ways to create value with a fresh approach. This is why we should lay down a solid framework for aggregation, demand response, peer-to-peer energy transactions and new cross-sector business models that enable customers' participation. These new building blocks, connected by smart distribution networks, will provide Europe with a resilient, flexible and highly efficient electricity system

3 TRANSFORM THE PRESENT

We also need to recognize that we have a past and a present to deal with. High-carbon assets and their value chains are still in operation in several European countries. At the same time, renewable assets developed in the recent years have changed the dynamics of electricity markets, originally designed for conventional technologies.

For this reason, we need to:

- **Complete the integration of renewables** and accelerate the restructuring of electricity markets across Europe, while customers require competitive energy pricing and enlarged scope of services at increasing quality levels. The new market design should value not only energy, but also flexibility and security of supply, to give the right signals for efficient investments and further push integration of national markets
- **Find sustainable solutions to transform our societies in carbon-free ones and deal responsibly with the existing carbon-intensive asset-base** in collaboration with European institutions and Member States to build win-win initiatives that are as inclusive as possible and address rights and duties of all stakeholders including investors, workers and local communities

A lot has been done in recent years, but our journey is not over. This is the right time to roll up our sleeves and lead the transition towards a low-carbon economy. We are strong and have a unique opportunity to make a difference. Let us take on the challenge.