

2012

ACTIVITY REPORT

EURELECTRIC represents the European electricity sector:

200,000,000
billable customers

3,500
companies

2,000
distribution companies

800,000
employees

900 GW
capacity

3,800 TWh
generation annually

€ **500 billion**
annual industry turnover

2012

ACTIVITY REPORT

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2012 at a glance



EURELECTRIC's annual **Markets Conference** attracts numerous high-level speakers, including EU Energy Commissioner Günther Oettinger and Alberto Pototschnig, Director of EU regulatory agency ACER. EURELECTRIC reiterates its call on European policymakers to rely on market processes to deliver the most cost-efficient decarbonisation solution.

p.22

In a statement addressed to the **21st European Gas Regulatory Forum** in Madrid, EURELECTRIC calls for the completion of the internal gas market. Gas plays an essential role for the power sector due to its promising use as back-up capacity for variable generation from renewables like wind and solar.

p.24



EURELECTRIC President Fulvio Conti announces the sector's support for the EU's '**Sustainable Energy for All**' initiative, at a high-level conference with UN Secretary-General Ban Ki-moon and European Commission President José Manuel Barroso in Brussels.

p.19

EURELECTRIC teams up with automotive associations ACEA and CLEPA to promote a **single European standard for charging electric vehicles**.

Their joint statement urges the EU to ensure the implementation of a harmonised plug system for electric vehicles in Europe as rapidly as possible.

p.32-33



January

February

March

April

May

June

Following the publication of the European Commission's **Energy Roadmap 2050** in December, a EURELECTRIC workshop stresses that Europe's future energy policy must tackle the transformation of the energy landscape in the most cost-efficient way: by strengthening energy markets and market mechanisms, and by favouring coherent and integrated policy instruments over a multitude of overlapping targets.

p.17



EURELECTRIC publishes its '**Smartness Barometer**', a report providing a clear method for potential investors to assess smart grids investments. The report builds on intensive joint work between EURELECTRIC and the European Commission's Joint Research Centre.

p.33

A position paper sets out EURELECTRIC's main concerns and recommendations regarding the process of adopting EU-wide binding **network codes**, as part of the internal energy market. In particular, it argues that the smooth and timely adoption of the codes should not prevent stakeholders from being properly consulted.

p.23, 34



At the **EURELECTRIC Annual Conference and Convention** in Malta, President Fulvio Conti urges the Commission to take immediate action to boost the EU Emissions Trading Scheme and deliver low-carbon investment. The EU urgently needs to improve the coherence of its policy instruments to avoid putting its energy and climate goals at risk and unnecessarily increasing the cost of its energy transition, he says.

p.46

The European Commission publishes its **Communication on Renewable Energy**. EURELECTRIC acknowledges the role of renewables as an essential element of Europe's low-carbon energy future, but says the EU must put them on an equal footing with other technologies.

p.17



In a bid to prop up the **EU Emissions Trading Scheme (ETS)**, the European Commission proposes to 'backload' an unspecified number of emissions certificates within the trading period 2013-2020. EURELECTRIC stresses that this proposal must be part of a longer-term strategy to strengthen the ETS and allow it to become the key driver of decarbonisation. The Commission follows up with a more precise backloading proposal and a **report on the carbon market** in November.

p.38

The Commission announces the results of the **EU-wide nuclear stress tests**, conducted after the Fukushima accident in March 2011. EURELECTRIC cautions that the report must paint a fair picture of the stress test results, while emphasising the sector's commitment to nuclear safety and its full support for the European stress test exercise.

p.19

The importance of rapid market integration remains undiminished, EURELECTRIC says as the **Commission publishes its Communication on the Internal Energy Market**. EURELECTRIC urges the Commission to strongly push for further progress and to tolerate no delays in completing the internal energy market by 2014, for the benefit of industry and customers alike.

p.23

July

August

September

October

November

December

Policymakers reach an agreement on the **Energy Efficiency Directive**, allowing it to be adopted by the end of the year. EURELECTRIC welcomes the result as a good step towards more flexible, targeted and customised solutions, but says proper implementation will be crucial.

p.41



A EURELECTRIC workshop says **EU water policy** must strive for consistency with other policy objectives, including lower carbon emissions, the expansion of renewable energy sources, and security of energy supply. The workshop comes ahead of the Commission's **Blueprint to Safeguard Europe's Water Resources**, published in November.

p.42



EURELECTRIC organises a joint workshop with the CIS Electricity Power Council in Brussels to celebrate **10 years of cooperation between the European and the Russian/CIS electricity industries**.

p.27



EURELECTRIC publishes the results of its **Investment Action Plan**, a large-scale exercise focusing on the investment situation of our industry in Europe. Members see volatile policies as the main reason for the generally poor investment climate and recommend more coherence, less micro-management, and a stronger focus on innovation, among other things.

p.12



EURELECTRIC President Fulvio CONTI

COHERENCE WILL BE THE ONLY WAY TO MAKE OUR INDUSTRY INVESTABLE

MR CONTI, THE CARBON PRICE HAS HIT ROCK BOTTOM, MARKET INTEGRATION IS DELAYED, THE EU IS NOT ON TRACK TO MEET ITS 20% ENERGY EFFICIENCY TARGET... HAS EUROPEAN ENERGY POLICY LOST ITS WAY? AND IF SO, WHAT MUST BE DONE TO PUT IT BACK ON TRACK?

It is true, we are facing difficult times. In the past 5 years, we have seen how the collapse of the financial markets and the sovereign debt crisis have had heavy consequences on the European economy.

European and national policymakers have spent a lot of time and energy on 'fire-fighting' their way out of the euro crisis. Against this backdrop, it's perhaps understandable that energy policy is not on top of everybody's agenda. But we must not forget it. We are an industry with long lead times. Decisions taken today will determine the development of the European energy system for the next 20, 30, 40 years. We cannot afford to get it wrong. Courageous decisions must be taken.

In order to reach our goals as a sector, it is of utmost importance that European policymakers ensure policy coherence. This means policies which apply EU-wide and not different regimes in 27 member states. It means policies that are coherent over time, allowing a smooth transition from today through to 2030 and beyond. And, crucially, it means policies which are coherent with one another. Coherence will be the only way to make our industry investable. All low-carbon technologies – RES,

CCS, nuclear – require very high CAPEX. To deploy this huge amount of money and to promote decarbonisation and environmental sustainability for our industry we need a stable long-term policy environment both at European level and national level.

We are not questioning the 20-20-20 targets but we think that the current three-pronged approach cannot continue beyond 2020. We have seen, for instance, that targets for energy efficiency and renewables undermine the ETS. This has to change: we need a single comprehensive European policy framework built around the ETS that allows market forces to deliver European solutions at the lowest cost.

LAST YEAR YOU SAID THAT OUR INDUSTRY'S BIGGEST CHALLENGE LAY IN ACHIEVING MULTIPLE "AMBITIOUS OBJECTIVES AT ONCE, OFTEN IN AN UNSTABLE POLICY AND REGULATORY ENVIRONMENT." WHERE DO YOU THINK WE ARE TODAY – ARE YOU MORE OPTIMISTIC OR MORE PESSIMISTIC THAN A YEAR AGO?

I see some encouraging signals that our voice is getting heard. I'm thinking for instance about the very open and constructive dialogue that EURELECTRIC had with Commissioner Oettinger and his services about the Energy Roadmap 2050 earlier this year. This intensive interaction was a new experience for all of us, and I think it contributed to greater understanding on both sides.

“The energy world is requiring us to be ever more proactive”

“Regulatory risk is seen as the biggest hurdle to investment”

Nevertheless, there is still a worrying degree of instability and uncertainty. A EURELECTRIC report this year found that regulatory risk – i.e. political and regulatory uncertainty and instability – is seen by our members as the biggest hurdle to investment. Just consider the new initiatives at European level: on energy efficiency, nuclear safety, renewables, ETS, state aid guidelines, to name but a few. We are very far from what we would call a sound and stable policy framework.

Many other potential investors seem to share this view. As long as this is the case, it will be very difficult to convince them to invest in our sector. And this in turn would be detrimental to our objective of reaching first the 20-20-20 targets and ultimately a carbon-neutral electricity sector by 2050.

IS IT ONLY UP TO POLICYMAKERS TO SOLVE THE SITUATION, OR ARE THERE ALSO THINGS THE ELECTRICITY INDUSTRY CAN, AND SHOULD, DO? DO WE NEED TO BE MORE CRITICAL OF OURSELVES AS AN INDUSTRY?

We do not expect policymakers to set the marketing of our products or our relationship with clients. Business and marketing are our responsibility. The energy world is evolving and is requiring us to be ever more proactive. A new business model is in fact emerging; a new way to produce, consume and distribute electricity, where the customer has a central role. Customers are no longer final and passive actors but are becoming *smart customers*: highly demanding, educated and capable of making an active contribution to demand electricity demand. They are able to boost efficiency through actions and choices made in their daily life, from light-bulbs and domestic heating to e-mobility. However, customers are not only able to shape the demand, they are also able to produce electricity themselves. Their ability to consume and produce electricity will turn them into *prosumers*.

In this context, electricity is becoming an added value product far removed from the commodity world. Innovation is fundamental for playing a role on the market. Let's consider for example smart grids and smart meters. They are both at the base of this new paradigm, allowing the collection and transmission of energy and data.

In this challenging scenario the electricity industry must be capable of evolving, by adapting to tomorrow's changes beforehand and ensuring sustainable, affordable and accessible energy. Policymakers have to set the broad framework. Of course we want policymakers to think about the future and take actions wherever necessary. But they should concentrate on setting broad frameworks that give industry stakeholders room to decide on the best course of action within the context of properly functioning markets. When policymakers set too many and too detailed targets, it usually results in market distortions, conflicting incentives, unforeseen consequences and far less efficient solutions.

FINALLY, WHAT WOULD YOU SAY IF ASKED TO SUM UP, IN NOT MORE THAN 10 WORDS, YOUR HOPES AND AMBITIONS FOR THE REMAINDER OF YOUR TERM AS EURELECTRIC PRESIDENT?

It would be impossible to pick just one, there are so many: show that our sector is the solution, not the problem; clear and coherent rules with the ETS as the cornerstone; set the path for coherent and stable long-term policy; turn the eyes of the industry to innovation; or a leaner and more efficient EURELECTRIC for the future. These are some of the hopes and ambitions that instantly come to my mind.



EURELECTRIC Vice President Johannes TEYSSEN

MR TEYSSEN, LAST YEAR YOU CITED MEETING THE INVESTMENT NEEDS AS THE BIGGEST CHALLENGE FOR OUR SECTOR. HOW HAS THE SITUATION EVOLVED SINCE THEN? ARE INVESTMENTS STILL A CONCERN?

Investments are and will remain a concern in Europe, simply because the profound transformation of the energy system is a matter of decades, not months. That is why a coherent and holistic approach to energy policy on a European level is desperately needed. At the moment, overlapping instruments like the EU ETS, renewable policies and energy efficiency targets are making potential investors extremely cautious: they know that such a situation is not sustainable, that corrections are urgently needed – and so they wait with their investment for a coherent and consistent 2030 approach to emerge. If as a prudent investor you are certain that a complete re-adjustment of EU policy is inevitable within the next few years of course you stay away from the market and wait for a more reliable situation.

Policymakers can now react in two ways: either improve the situation by streamlining the energy package – or introduce new subsidies in the hope of triggering investments. I think our preferred approach is clear: new subsidies would merely increase today's unstable and unsustainable environment and lead to higher costs for energy consumers. Instead, the energy transformation needs a clear and simple policy approach, ideally with a strong EU ETS as the key driver of decarbonisation that will also trigger renewable and energy efficiency investments. The more market-oriented such investments are, the better for the customer and for Europe's global competitiveness, which is defined by affordable energy prices.

“Competition is the only approach that guarantees affordable prices”

OVER THE PAST YEAR, DISCUSSIONS ON EU ENERGY POLICY HAVE INCREASINGLY FOCUSED ON THE TIME PERIOD AFTER 2020, WITH POLICYMAKERS LOOKING AHEAD TO 2030 OR EVEN 2050. WHAT IS YOUR VISION FOR EUROPE'S ENERGY SYSTEM IN 2030? AND WHAT NEEDS TO BE DONE TO GET THERE?

My vision for 2030 is certainly not based on an exact view, i.e. how much electricity should be delivered by what source in which hour. Rather, it is based on an ideal framework, needed to trigger investments into climate friendly technologies while keeping energy affordable.

I therefore believe in a system with competition: this is the only approach that guarantees affordable prices for the customers in the long run, that triggers technological innovation and that enables efficient investments. The latter is of utmost importance for the second cornerstone of my vision: the electricity system of the future is a complex interplay of centralised and decentralised generation, energy storage, smart grids with demand response by customers. To find out in which segments investments make the most economic sense, a market price for electricity as a benchmark is certainly more efficient than regulated prices for some or even all areas. That is why a fully completed internal energy market by 2030 should be a matter of course. Finally, the EU ETS should be the key driver of decarbonisation: the carbon price will be incorporated into the electricity price and this mechanism alone should deliver investment signals for renewable energy and for energy efficiency measures.

With this vision the main areas for change are also clear: a consistent energy package with no conflicting and/or overlapping targets and a market design that will also work in a world with a high share of renewable sources and that has enough competitive elements to find the most affordable solution for customers.

FINALLY, WHAT WOULD YOU SAY IF ASKED TO SUM UP, IN NOT MORE THAN 10 WORDS, YOUR HOPES AND AMBITIONS FOR THE REMAINDER OF YOUR TERM AS EURELECTRIC VICE PRESIDENT?

Trigger policy for coherent and competition-based approach to energy.

MESSAGE FROM SECRETARY GENERAL HANS TEN BERGE



As 2012 draws to a close, I would like to use this opportunity to look back and reflect on where we stand – and what this implies for EURELECTRIC in 2013.

What stands out is a rather simple observation: we at EURELECTRIC have been busy. Maybe this is inevitable as we reap the rewards of establishing ourselves as a serious and credible interlocutor at EU level. We are consistently seen as a reliable partner and a valuable ally. Undoubtedly this is a direct result of the hard work of the EURELECTRIC staff in Brussels and the dedication of our members all over Europe, whose expertise makes our positions so well-respected in the first place.

Whatever the reason, the last year has seen us more and more involved in responding to consultations, reaching out to other associations, developing new initiatives in response to queries and requests for input and cooperation.

At the same time the speed of the debate has accelerated. Europe's energy system is facing so many challenges that it can be difficult to keep up with all the latest developments: on the EU ETS, smart grids, network codes, renewables – to name but a few.

We find ourselves increasingly caught up in 'nitty-gritty' details, in the minutiae of regulation, while at the same time expanding our reach to topics that have so far not been on our agenda. In this situation it is easy to lose focus, to lose sight of the key issues that matter most.

How much effort should we place on making sure we sit at every table? How many balls can we expect EURELECTRIC to juggle at once? Would it be better to concentrate on setting the agenda to a greater extent, rather than following the agendas of others?

These are big questions that will require careful reflection. They cannot be decided by one person alone and they cannot be decided overnight. But they are valid questions that deserve to be asked.

We have therefore begun a process of rethinking the role of our organisation: what is it today and what should it become? Most importantly: how can we ensure that we continue to deliver value for our members?

We will use the coming months to reflect on these questions and develop sound alternatives, and eventually answers. It is possible that this time next year, EURELECTRIC will look and feel very different. But, as we never tire of telling European policymakers, change can also mean new opportunities. Whatever the outcome of this process, I have no doubt that we will continue to build on our previous successes to deliver what we do best: a resolutely European, market-based and forward-thinking view of Europe's electricity and broader energy system.

Hans TEN BERGE
Secretary General

COHERENT POLICY



THE INVESTMENT CHALLENGE

Ensuring adequate investment will be paramount for the transition to a low-carbon economy. What can be done to make those investments happen?

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INNOVATION ACTION PLAN: SHAPING EUROPE'S INNOVATION POLICY

Europe's energy transition is opening up exciting opportunities

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"MANY INVESTORS APPEAR TO BE SITTING ON THEIR HANDS"

Interview with Allan Baker, Managing Director – Global Head of Power at Société Générale

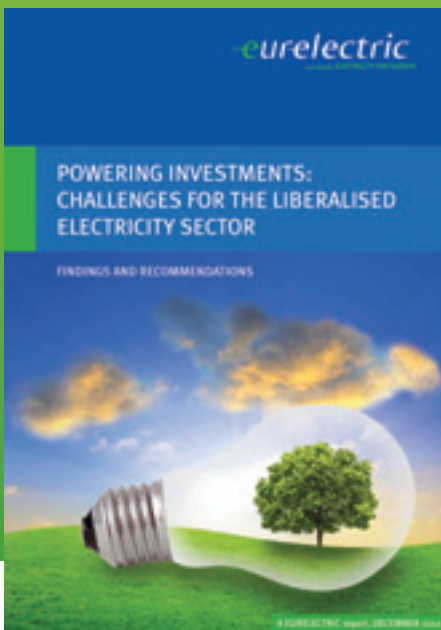
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The European electricity mix is becoming more diverse: by 2020 renewable electricity is set to make up 35% of European power production, with thermal plant increasingly operating as back-up. This step change implies a need for significant investment in power generation and transport capacity – and a coherent policy framework to support such investment and the necessary innovation.



THE INVESTMENT CHALLENGE



Ensuring adequate investment will be paramount if Europe is to successfully achieve the transition to a low-carbon economy. However, there is real concern that such investment is not taking place. EURELECTRIC's Investment Action Plan looks at the challenges.

MONEY CAN BE SPENT ONLY ONCE. IN TIMES OF RECESSION THE CHOICE OF ALLOCATION PRIORITIES BECOMES EVEN MORE CRUCIAL



Investing into Europe's long-term power future is a particular challenge today. The recession has not only hit utilities, which are facing decreased demand and technology change, but also traditional and new financing partners like banks, pension funds or communal enterprises. Stricter financial rules as well as unclear or shrinking profit margins are placing serious constraints on investments.

In late 2011, the EURELECTRIC Board therefore mandated the Secretariat to carry out an in-depth investigation of the main obstacles to investment into the liberalised electricity sector. Driven by a dedicated task force composed of EURELECTRIC members, investors, and academics, the Investment Action Plan culminated in the presentation of recommendations and a final report at a conference in December 2012.

According to our internal survey, EURELECTRIC members generally assess the investment climate as being very poor. Volatile policies are cited as the main reason. Other elements of concern include the sovereign debt crisis and resulting higher interest rates; power prices which are not delivering meaningful signals; worsened utility rating and industry attractiveness; increased debt burden of utilities; and sudden taxes on utilities (see interview on p.15).

Money can be spent only once. In times of recession the choice of allocation priorities becomes even more crucial. Policymakers must keep Europe's competitiveness in mind by prioritising cost-efficiency as a key principle of the low-carbon transition. In essence, this means a less national, more European approach and a greater reliance on markets and market principles to avoid stranded subsidies and stranded investments.

An enabling and predictable investment climate would attract financing from both utilities and new financial actors such as pension funds, private equity firms and insurance companies. There is a converging view that the sector would be able to raise the necessary funds – in conjunction with the new financial actors described above – if a sound framework was set. This will help the sector escape from today's vicious circle of volatile regulation – reduced attractiveness of utilities – deterred investment, and turn it into a virtuous circle of policy/regulatory stability – investments – well timed and designed energy transition instead.

ASSESSING THE FINANCIAL SITUATION & INVESTMENT CLIMATE OF THE ELECTRICITY SECTOR

Complementing the work of EURELECTRIC's Investment Action Plan, EURELECTRIC's Management Committee is looking into specific investment issues related to the financial situation of the sector, critical risks, and fiscal hurdles to investment. The work builds on the expertise of the FG Finance & Economics, FG Enterprise Risk Management and TF Fiscal Issues, and is disseminated both through one-off reports and recurring publications.

A risk analysis report published in April 2012 by the FG Finance & Economics shows two main trends. On the one hand, electricity utilities are currently facing a very difficult political and macroeconomic situation. Eurozone GDP forecasts are pessimistic and sovereign risk is high in several countries, intensifying the public sector's financial needs and leading to restrictive financial and fiscal policies that increase uncertainty and regulatory risk. On the other hand, the utility sector underperformed the average stock market in both 2009/10 and 2011. As a consequence, the market perception of the sector is rather negative. Given these difficulties, companies looking to maintain their credit ratings and financial costs at tolerable levels might be forced to decommission existing plants and reduce investments.

As for emerging risks in the electricity sector, the FG Enterprise Risk Management published in early 2012 the two first chapters of its "Risk analysis and recommendations on EURELECTRIC's Power Choices scenario", focusing on market risk and credit risk respectively. The chapters

show that the increasing correlation between energy markets and other financial assets (interest rates, foreign exchanges, equities) has resulted in higher market volatility and thus market risk. Meanwhile, increased regulatory risk means that investors have also become much more prudent about investing in utilities as "quasi-regulated business". Indeed, regulatory risk is now perceived as the major risk affecting the utility sector.

Credit and liquidity risk in the power sector has been evolving accordingly. A deterioration of counterparty creditworthiness has seen a downgrading of both private and public counterparties – industrial customers, financial institutions and governments –, triggering higher credit cost for the power sector. The rapid development of physical and financial forward/future contracts has also exposed the sector to risks arising from defaulting counterparties.

The emergence of new risks in the energy utility landscape is occurring in a context of reduced expected profitability. Most mid/long-term projections by financial institutions and think tanks expect lower demand growth and shrinking production spreads. The increasingly unfavourable risk/reward profile for the utility sector will inevitably be taken into account when companies and investors consider the financial sustainability of capital-intensive investment plans. Ultimately, capital markets will only consider the utility sector attractive if new emerging risks are either properly managed and mitigated or adequately remunerated in the expected profits.



“Many investors appear to be sitting on their hands”

Allan BAKER is Managing Director – Global Head of Power at Société Générale. As such, he has long experience in analysing investment opportunities in the power sector, and was involved in the work on EURELECTRIC's Investment Action Plan. He shares with us the financier's perspective.

“Would you say that Europe has an oversupply in power, and that there is thus no need for investment?”

The analysis of European power markets is becoming increasingly complicated. In some regions there is significant oversupply, due to overbuild of new thermal capacity, rapid development of renewable energy capacity, grid constraints and of course economic slowdown. But, as always, there are exceptions. Certain markets, for instance the UK, have an evident need for investment in new capacity but regulatory uncertainty is making it difficult to determine in what parts of the market to invest. In other regions there is a clear need for investment in flexible capacity but the price signals to underpin this investment are not always in place.

“What is the reason for the turmoil in the European power industry today?”

It is true that we are currently seeing the most fundamental change in many European power markets since the “dash for gas” in the 1990s. This process is driven by many factors, not least the move to low-carbon generation in response to the legally binding EU emissions targets. This, together with other factors, is driving extensive market review and reform. In this context, various markets are implementing or considering capacity payment mechanisms to ensure capacity is kept available, adding another complicating factor to an already complicated landscape. So rather than turmoil, I would say that we are facing a necessary period of fundamental market change to ensure that the current policy objectives for European power can be met, whilst maintaining security of supply.

“How would you describe today's investment climate for power generation in Europe?”

Despite the apparent upheaval in the European power markets there is still considerable investment interest

in the region, particularly from Asian investors. Many of the traditional utilities are facing significant investment needs which are driving them to adapt business models, thus opening up opportunities. External factors, including the availability of financing, are also having an impact on the investment climate. Liquidity is still available, but it is clearly more limited. It is also evident that both European and non-European investors are concerned about the regulatory and political risk associated with the changing markets and the stresses caused by rapidly increasing costs of renewable subsidies. Despite the perceived opportunities, many investors therefore appear to be sitting on their hands waiting for some clarity.

“What are ways out? What is needed to improve the investment climate?”

Improving the investment climate for the European generation sector depends, in my view, on economic factors and on policy/regulatory factors. Economic recovery and growth is a medium-term factor and could be slow to materialise. But regulatory and policy clarity is within the control of national and European authorities. All players in the market, be they existing utilities, external financial or industrial investors and financial institutions, need confidence in the regulatory and policy landscape to take investment decisions. In the end, capital is mobile: unless investors are confident that they can earn an appropriate return, they will deploy their capital in other markets. Of course markets and regulation/policy must adapt to changing circumstances. But proper management of this change is crucial to maintaining a positive investment climate. Clarity and consistency are key.

“How would you assess the EURELECTRIC Investment Action Plan?”

The Investment Action Plan is a good analysis of where European generation currently stands and the challenges the industry faces. It makes some strong and coherent recommendations for dealing with these challenges where possible. There is general agreement that substantial investment will be required within the next 10 years. In a rapidly changing environment we now have an opportunity to ensure that the European utility sector remains attractive. My view is that the EURELECTRIC Investment Action Plan makes a valuable contribution to this process and the surrounding debate.



INNOVATION ACTION PLAN: SHAPING EUROPE'S INNOVATION POLICY

Europe's power sector is currently undergoing major changes, opening up numerous possibilities for fascinating innovation related to the low-carbon transition. This transition can be perceived as an exciting opportunity, but also as a challenge. The power industry today must address topics that are still fairly new: e-mobility, smart grids, decentralised and variable generation, the link between electricity and ICT systems. It is preferable to anticipate this change rather than to run after the future – Europe cannot afford to miss the boat.

The change is about technology and strategy, but also about mind-set, mentality and culture. Unfortunately, Europe's policy on research and development, on innovation, and on investment in innovation is fragmented. There is a clear lack of prioritisation, coherence, and methodology. How is it possible that Europe, which has invested so heavily in new technologies like solar photovoltaic, has not been able to translate this into competitive advantages on the global market?

EURELECTRIC believes that the EU's energy innovation policy framework must be improved. A well-developed, targeted innovation policy for energy is needed. Such a pragmatic refocusing will result in innovative, cutting-edge products that can be exported to the rest of the world.

Our Innovation Action Plan strives, first, to anticipate the future, and seeks secondly to address the 'how' of innovation in Europe, developing recommendations for making it a success. Which technologies are driving the change? Which regulatory framework is needed to facilitate and support the change, to avoid setbacks, stranded investments and U-turns? The project is run by a dedicated task force and will build on the results of a study by McKinsey. A high-level conference and a specific panel at the EURELECTRIC Annual Conference in June 2013 will conclude the project.

ENERGY ROADMAP 2050: TESTING NEW WAYS OF DIALOGUE WITH THE EUROPEAN COMMISSION

EURELECTRIC's main institutional interface in Brussels is the European Commission. Regular exchanges take place, but inventing new tools is also important: therefore, in 2012, EURELECTRIC initiated a new, structured 'traffic light' dialogue with the Commission's DG Energy, which allowed both sides to assess areas of agreement (green), of potential agreement (yellow), and of disagreement (red).

Discussions focused on the Commission's *Energy Roadmap 2050*, published in December 2011, and centred in particular on milestones and policy objectives for

2030 and the long-term role of markets and infrastructure. The series of meetings concluded with a discussion of results between EURELECTRIC President Fulvio Conti and Energy Commissioner Günther Oettinger on 10 July.

EURELECTRIC used the traffic light process to highlight that the Roadmap 2050 should look at frameworks instead of narrow targets, and that it should bear in mind the need for a cost-effective delivery of the coming transformation of the energy landscape. EURELECTRIC would have preferred strengthening the EU Emissions

Trading Scheme as the key driver of decarbonisation, supported by ambitious, economy-wide greenhouse gas reduction targets up to 2050. Such targets would clearly signal Europe's commitment to a cost-effective, market-based process towards carbon-neutral electricity supply.

With both sides agreeing on the added value of this unprecedented exercise, EURELECTRIC has offered to extend the process to other policy areas, including renewables development and market design.

RENEWABLES: MAKING AN IMPORTANT PART OF THE ENERGY MIX MARKET-COMPATIBLE

EURELECTRIC is in favour of adding new technologies to the power generation mix, in particular the various renewable technologies that will help move Europe to a low-carbon economy. Yet we believe that the method of developing renewables (RES) across Europe requires urgent revision. Exploding costs and a lack of cooperation are endangering the power system, and are putting continued RES development at risk. We are therefore pushing for a change in RES development strategies, and are for instance currently working with the Commission on guidance for national support schemes.

Discussions about the future of renewables in Europe kicked off in earnest in June, when the European Commission presented its Communication on Renewable Energy Policy. The paper's emphasis on market integration and Europeanisation is very much in line with EURELECTRIC's views. Indeed, while supportive of RES growth, we feel that more can be done to integrate RES into the market, both by shifting support to less distortive forms like RD&D support and by obliging



renewable electricity producers to take up balancing and scheduling responsibilities like other generation technologies. The years until 2020 must be used to develop a transition narrative, outlining a) how RES can progressively move closer to the market, and b) how their development can be Europeanised.

At the same time, policymakers should not forget that RES are part of the

broader energy system and cannot be treated in isolation. Their increasing role in the electricity system will have important implications for issues ranging from back-up generation and grids to storage and demand side management. These interactions were already a major focus of EURELECTRIC's work in 2011, when we presented our Renewables Action Plan (RESAP).



SUSTAINABLE ENERGY FOR EU ISLANDS – A EURELECTRIC REPORT



EURELECTRIC's report on sustainable energy development on islands, published in June, provides insights into the status quo of power supply and demand on EU islands, looks into the regulatory framework, highlights

best practice examples and presents solutions towards sustainable island energy systems. The report is based on the expertise of EURELECTRIC's Network of Island System Managers (NEIS) and was the topic of discussion at EURELECTRIC workshops in Malta and Brussels this year.

286 islands are located within the EU territory. Their electricity demand varies depending on their size, economic structure, population and location. Although their location usually does not make diesel an obvious fuel for power generation, many nevertheless opt for this solution. While this is typical for isolated systems, it is neither sustainable, nor does an over-reliance on diesel contribute to security of supply. In this, EU islands are representative of the difficulties faced by islands and small isolated communities worldwide.

In short, there is a clear need for a step change. Island power companies are already trying to demonstrate alternatives and forward-looking solutions. But in order to do so efficiently and on the right scale, they need political support, reasonable and proportionate regulation, and a favourable investment climate. Awareness is fortunately rising, not only through EURELECTRIC's activities in Europe, but also through the International Renewables Energy Agency IRENA, which has made the topic a priority for 2012.



INFRASTRUCTURE: A CALL FOR A MODERN, INTERCONNECTED EUROPEAN POWER GRID

Energy infrastructure is the backbone of the European power system. EURELECTRIC is pushing for a rapid, cost-efficient modernisation and expansion of Europe's grids, to ensure sufficient interconnection across Europe and support the creation of an internal European energy market.

After an intense year of negotiation, the European Parliament and the Council sealed a deal on the *Regulation on Trans-European Energy Infrastructure*. EURELECTRIC supports a regulation which helps overcome current inadequacies of infrastructure planning and investment.

We once again teamed up with other associations and stakeholders to make the case for maintaining the budget proposed for the Connecting Europe Facility (CEF), the Commission's proposed tool for infrastructure support. An adequately funded CEF is vital if Europe is to live up to the enormous challenge of re-inventing its energy networks by making them more interconnected, smarter, and more efficient.



NUCLEAR STRESS TESTS: PUSHING FOR A EUROPEAN VIEW OF NUCLEAR SAFETY

EURELECTRIC stands for European approaches. As the European nuclear stress test exercise continued throughout 2012, culminating in a presentation of results in October, we have therefore continued to give it our full support: nuclear safety is of the utmost importance to nuclear power plant operators and should be addressed as far as possible at European level rather than through uncoordinated national efforts. EURELECTRIC's members used the EURELECTRIC event "Business as usual? Nuclear energy after the stress tests" on 20 November to reaffirm their full commitment to enhancing the safety of their plants, as a means of ensuring continued safe operation and maintaining public trust.



SUSTAINABLE ENERGY FOR ALL: ELECTRICITY AS AN ENGINE FOR DEVELOPMENT

Energy, and electricity in particular, is fundamental to modern life. Electricity can increase industrial and agricultural production, create jobs, improve education and healthcare, and open new opportunities for societal development. Yet even today one in five people around the globe do not have access to electricity.

EURELECTRIC believes the European electricity industry can be central to the advancement of societies in developing countries – and that there is often a genuine business case for doing so. Many companies see considerable potential returns on investment in the developing world, but are deterred because of the perceived risk. That is why we welcome *Sustainable Energy For All*, an EU-backed UN initiative that brought together UN Secretary General Ban Ki-moon, European Commission President José Manuel Barroso, EU Development Commissioner Andris Piebalgs and EURELECTRIC President Fulvio Conti at a high-level summit in Brussels this year.

The initiative will combine public funding with private capital, thereby creating an innovative, multi-stakeholder partnership. EURELECTRIC sees this as an opportunity for our members to embed sustainable development into their core business: not by developing CSR programmes, but by seizing genuine business opportunities. We aim to facilitate the process by acting as an interface between the Commission and our members. A survey among EURELECTRIC members and business associates has identified numerous ways for members to get involved, including a charter of basic sustainable energy access principles or providing expertise for projects on the ground. EURELECTRIC's further actions will be decided in the first half of 2013.

INTEGRATED MARKETS



TOWARDS INTEGRATED EUROPEAN MARKETS

Properly functioning markets
are more critical than ever – but
progress has been slow

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“IT IS CRUCIAL THAT MARKETS CAN FUNCTION WITHOUT BARRIERS”

Interview with Inge Bernaerts,
Head of Unit at the European
Commission’s DG Energy

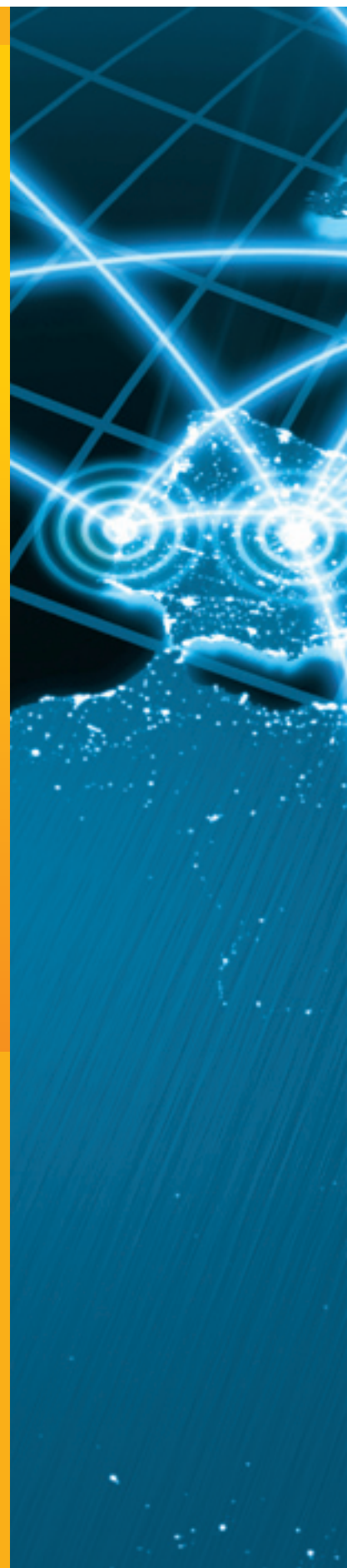
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FINANCIAL REGULATION

Three key pieces of financial
regulation have affected the sector
this year

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The EU hopes to achieve integrated continent-wide markets for electricity and gas by 2014. Supporting this process is at the heart of our work: properly functioning, integrated markets are the most cost-efficient means of integrating renewables into the electricity system and moving Europe to a low-carbon economy, while ensuring continued security of supply. Most importantly, they offer the best deals for customers. As they say, what's not to like?

TOWARDS INTEGRATED EUROPEAN MARKETS



Wholesale energy markets are increasingly being shaped by growing generation from variable renewables, as well as attempts to resolve generation adequacy concerns in a number of countries. Against this backdrop, EURELECTRIC's work aims at strengthening properly functioning energy markets, not least through rapid market integration in Europe.

**INTEGRATED ELECTRICITY
MARKETS ARE THE BEST
WAY TO ACHIEVE A SMOOTH
TRANSITION TOWARDS A
DECARBONISED ECONOMY**



Wholesale markets: Getting the market design right

The wholesale market agenda in 2012 was strongly shaped by the development of key network codes for electricity and gas, slow progress in the emergence of a core integrated region in North Western Europe (NWE), as well as essential market design issues such as increasingly negative operating margins in flexible back-up plants and the steps needed to bring RES technologies in line with market rules.


Close liaison with market stakeholders throughout the year resulted in a good degree of consensus on the development of the network code on capacity allocation and congestion management. EURELECTRIC nevertheless feels that TSOs could be more transparent on issues of vital importance for the market (e.g. bidding zone configuration, capacity calculation, cross-border redispatch). They should also establish clear liability rules and fall-back mechanisms in case of operational deficiencies in the price-coupled spot markets and the cross-border intra-day platform – both of which are essential to establish the integrated pilot region in North Western Europe.

Despite intense activities between the TSOs and power exchanges involved in the NWE project, progress has been limited in the region in 2012. The price coupling of spot markets is expected to go live in the second quarter of 2013 while the establishment of an intra-day platform has been further delayed, with great uncertainty as to when the platform will be up and running. This delay, together with the lack of willingness to ‘market-proof’ these integration projects by sharing information and allowing feedback,

has negatively affected market confidence and trust in project leaders to deliver a suitable mechanism.

Greater focus was placed this year on market design aspects linked to the growth of renewables. The possible introduction of capacity remuneration mechanisms across some member states raised new issues regarding a possible evolution of the electricity market design and the achievement of an internal electricity market.

As a firm supporter of liberalised and integrated energy markets, EURELECTRIC holds that integrated electricity markets are the best way to achieve a smooth transition towards a decarbonised economy. In order to deliver generation adequacy, energy markets should be allowed to function properly, eliminating distortions such as regulated end-user prices, restrictions on plant operations, and price caps. Enabling demand to participate in wholesale market spot price formation is also fundamental. When generation adequacy is nevertheless endangered capacity remuneration mechanisms should be considered, ideally at a regional level or at least in coordination with neighbouring markets and, in any case, consistent with the process of EU market integration.

Given the far-reaching effects of intermittent generation on electricity markets, EURELECTRIC also recalled the importance of bringing renewables into electricity markets, thereby ensuring a level playing field among all generating technologies with respect to connection, scheduling, and balancing requirements. 



Retail markets: Making markets work for end consumers

EURELECTRIC favours efficient retail markets that provide consumers with more choice through competitive offers and innovative services, and that allow consumers to become active in demand response. Retail markets moved to the fore of discussion at EU level this year, with the Commission even creating a new unit dedicated to retail markets. Work focused on consumer-related issues such as price transparency and energy poverty, but also increasingly on issues linked to smart grids and demand-side participation.

In this context, EURELECTRIC took part in several working groups set up by the European Commission: the reactivated Task Force Smart Grids; the Working Group on price transparency, which made a number of recommendations to improve transparency in retail energy markets; and the Working Group Vulnerable Customers, which aims to highlight good practices and solutions to better target vulnerability.

In addition, EURELECTRIC followed several pieces of EU legislation with effects on retail markets, including the Energy Efficiency Directive (which contained provisions on e.g. metering and billing) and the Directive on Alternative Dispute Resolution, where we defended the view that ADR should only be considered after the supplier has had the opportunity to handle the complaint. The network codes on demand connection and on balancing were also high on the agenda, considering their expected impact on retail issues and demand response.

EURELECTRIC maintained close contact with European regulators throughout the year to contribute to their 2020 vision for Europe's energy customers. Work on data management and price comparison tools rounded off our retail activities.

Gas markets: Preparing the way for more flexibility

Unpredictable generation from variable renewables and increased interconnection of European electricity markets will require gas-fired power generators to run more flexibly. EURELECTRIC is therefore pushing for more flexible European gas markets.

Our gas strategy paper, published at the beginning of the year, developed the sector's position on the upcoming gas network codes, which will set out the gas market design needed to complete the EU internal energy market by 2014. Work is already underway on network codes for capacity allocation mechanisms, for balancing and for tariffs. These codes are critical for a flexible and competitive European gas market. On balancing, for instance, EURELECTRIC stressed that accurate and timely information as well as more flexible access to gas is essential for shippers to properly balance their input and off-takes. We also expressed concerns about the possible proliferation of different forms of within-day obligations, which could have an adverse effect on an integrated gas market across Europe.



“ It is crucial that markets can function without barriers ”

Interview with Inge BERNARTS, Head of Unit at the European Commission's DG Energy

“ Do you believe that RES integration will imply a paradigm shift in the way electricity markets and grids are organised? If so, what is needed to adapt current electricity systems to intermittent generation? ”

Renewable energy resources currently provide around one-fifth of the electricity we consume in the EU, meaning that the EU is on track to meet the binding renewables target it set. This is a success. By 2020, intermittent sources, wind and solar, will make up the largest part of renewable power production. It is clear that this will have a major impact on our electricity systems but the transition is not happening overnight. We have some time to prepare our grids and regulatory framework and this is what we are working on.

I see four areas that need particular attention:

- Grids must be reinforced, interconnection capacity expanded inside the EU and with neighbouring countries and smart grids and meters must be rolled out.
- Demand side management needs to be promoted in all consumer segments.
- Direct and indirect support mechanisms for all types of power generation must be reviewed and adjusted. The electricity price should be the main driver for investments, accompanied by a functioning ETS and targeted state support where necessary.
- Generation adequacy, including the availability of flexible back up for intermittent wind and solar, needs to be assessed carefully and objectively. Where concerns arise, solutions must be co-ordinated between member states, reflecting the reality of coupled markets.

“ The Commission's November Communication on the Internal Energy Market placed a lot of emphasis on the need for electricity prices to properly reflect supply and demand. Why is this so important and what can the Commission do to ensure that electricity prices send the right signals? ”

Electricity systems need to become more responsive to accommodate substantial proportions of intermittent wind and solar power. In liquid, well-functioning wholesale markets prices can reliably signal the value of electricity at each point in time and hence incentivise and reward flexible generation and demand, as well as storage. The European Commission is working hard, together with ENTSO-E, ACER and other stakeholders to put in place the regulatory framework for the development of liquid cross-border day ahead, intraday and balancing markets. It is crucial that the relevant network codes are adopted and implemented as soon as possible and that markets can function without barriers, such as undue intervention in price setting or grid constraints.

“ The fast and massive introduction of RES has prompted a number of requests for closure of back-up plants which were no longer able to cover their fixed costs. In your view, is this the consequence of un-coordinated and mostly nationally-focused RES support schemes or does this foreshadow the market design of a power system dominated by intermittency? ”

I think that the story behind the closure of certain coal and gas-fired plants is more complex than your question suggests. There is the normal cycle of old plants being replaced by more efficient ones, exacerbated by environmental legislation taking effect, and the economic downturn and structural overcapacity in some countries no doubt play their part as well. That being said, as the Commission has indicated in its recent Communications on Renewables and on the Internal Energy Market, RES support schemes need to be reviewed taking into account decreasing production costs for some technologies as well as new market circumstances. The Commission is currently working on Guidelines for RES support schemes and reviewing the Environmental Aid Guidelines. We have also launched on 15 November a public consultation on generation adequacy and capacity mechanisms with the aim to assess whether there could be a missing money problem for flexible back-up generation in an electricity system with very high proportions of renewables and, if so, how it can best be addressed. The outcome of this consultation will feed into Guidelines on capacity mechanisms which we plan to issue in 2013.



FINANCIAL REGULATION

EURELECTRIC activities this year focused on three key pieces of financial regulation, to avoid that their implementation has unintended negative consequences for the EU energy market.

In October 2011 the European Commission proposed a review of the Markets in Financial Instruments Directive (MiFID). EURELECTRIC has been working to ensure appropriate and proportionate treatment of EU electricity companies, which are active on financial markets in a fundamentally different way than financial companies. In particular, the previously established exemptions should continue to apply. Final negotiations are expected to take place under the Irish Presidency in early 2013.

Another key dossier is the Regulation on over-the-counter derivatives, central counterparties and trade repositories (EMIR), which came into force in August 2012. Among other things, it lays down that OTC derivative contracts above a certain threshold would need to be cleared through central counterparties. The threshold, along

with several other technical standards, is currently under discussion. EURELECTRIC is working to ensure that the Regulation imposes proportionate measures that recognise the specific needs of electricity companies and allow them to manage their commercial risk without affecting the overall aims of reducing systemic risk and increasing transparency.

Finally, this year also saw an active engagement of EURELECTRIC on REMIT, the EU Regulation on Wholesale Energy Markets Integrity and Transparency. Although it entered into force in December 2011, many issues remain open, including a lack of clarity on certain provisions and definitions (i.e. insider trading, market abuse, market participant, wholesale energy product) but also the required registration format and the data reporting framework. This uncertainty could jeopardise risk management for energy firms. EURELECTRIC has raised these concerns with ACER and the European Commission.



10 YEARS EU-RUSSIA/CIS COOPERATION

Amid growing interdependence between the EU and Russia, EURELECTRIC is working to promote bilateral trade through converging electricity markets. On 31 October EURELECTRIC, together with the Electric Power Council of the Confederation of Independent States (EPC CIS), held a joint high-level conference in Brussels to celebrate the 10th anniversary of the cooperation between the two organisations. Security of supply, cross-border electricity trade, infrastructure projects, and environmental cooperation were the key topics discussed. The joint report outlining key differences and obstacles to electricity trade in the Nordic/Baltic/Russia/Belarus region received support from all three high-level speakers: Russian Energy Minister Alexander Novak, EU Commissioner for Energy Günther Oettinger, and EURELECTRIC President Fulvio Conti (pictured).

Speakers also discussed future priorities and challenges in EU-Russia/CIS electricity relations. Many speakers from both the EU and Russia recognised the need for converging electricity market rules, and the need to develop bi-directional trade, improve TSO cooperation in grid infrastructure planning and operation, and foster transparency.



STATE AID CONSULTATION

In autumn 2012, the European Commission published a consultation on state aid for environmental protection and environmental support measures, following the announcement in May of its intention to finalise, by end 2013, an ambitious state aid reform programme.

EURELECTRIC's response highlighted that the revision of the state aid guidelines is an important opportunity to develop a legal and regulatory framework that allows a market-compatible and concurrent development of renewable and conventional power in Europe. Renewable energy sources need to be integrated into the energy market in order to create a competitive level playing field for all power generation technologies. In this perspective, EURELECTRIC urged the Commission to assess whether current renewable support in Europe strikes the right balance between environmental protection and fair competition. These considerations should apply to state aid for power generation (e.g. use of ETS revenues, tax benefits, etc.) but also to other measures that have similar effects (e.g. feed-in tariffs or certificate schemes).

INTELLIGENT NETWORKS



THE CHANGING DISTRIBUTION BUSINESS: DSOS AS MARKET FACILITATORS WITHIN THE SMART GRID ENVIRONMENT

As the EU increasingly focuses on distribution grids, EURELECTRIC is developing a vision for the future distribution business

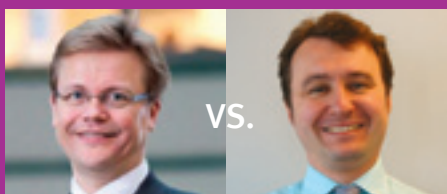
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SUPPORTING INNOVATION TO ENABLE SMARTER DISTRIBUTION NETWORKS

Initiatives for smart grids and e-mobility play a crucial role in knowledge-sharing

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WHICH ROLE FOR DSOS?

EURELECTRIC and the European Commission debate what the future holds for distribution system operators

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A hand is shown holding a glowing lightbulb. The hand is positioned in the center, with the index finger pointing upwards. Surrounding the hand are several circular icons connected by lines, forming a network. The icons include: a solar panel, a sun, a wind turbine, a power line tower, a house, a water drop, a globe, and a factory. The background is a gradient of blue and green.

Today's distribution grids are at the brink of a substantial transformation: as the electricity mix becomes greener, networks will have to adapt to become more resilient to variable output from renewables – and to new loads like electric cars. Smarter infrastructure, and smarter management of that infrastructure by distribution companies, can help Europe decarbonise while paving the way for new services for customers.

THE CHANGING DISTRIBUTION BUSINESS: DSOs as market facilitators within the smart grid environment



EURELECTRIC is developing a vision for the future distribution business, in line with the EU's shifting focus from the transmission to the distribution level. This includes setting the appropriate regulatory framework and standards, developing market models, and testing new solutions through demonstration projects. In this context, EURELECTRIC is striving to set a European framework that will allow distribution system operators (DSOs) across Europe to cope with the new challenges for their business models and operations.

The Energy Efficiency Directive adopted this year goes some way towards preparing the ground for a regulatory framework that allows the intelligent integration of demand and generation. Article 15 of the Directive says that grid operators should be incentivised to make available system services for users. This is in line with a EURELECTRIC paper published last year, in which we called on regulators to adjust the regulatory framework to foster smart investments and allow DSOs to operate a more complex system.

In order to strengthen DSOs in this discussion EURELECTRIC helped the European Commission's Task Force Smart Grids to develop a "DSO as market facilitator" market model which EURELECTRIC presented at the Citizens' Energy Forum in London (see p. 34-35). However, the Commission's Internal Energy Market (IEM) Communication, published in November, called for "reconsidering the role of DSOs", mentioning the role of third parties (like the ICT industry) "in the future development of local distribution grids." This discussion affects the DSO business model significantly and will continue next year.



EURELECTRIC's roadmap "10 Steps to Smart Grids", published in 2011, had already raised the idea of national Smart Grid Action Plans. This idea was taken up in the IEM Communication. However a European one-size-fits-all approach is undesirable and unrealistic given the variety of topologies and operating environments in the EU.

This principle should also be respected for EU network codes, which will have important implications for distribution networks (see box p.34). EURELECTRIC plays a key role in coordinating DSO technical expert groups that are involved in the drafting process of the relevant network codes, and provided input to ENTSO-E, ACER and the Commission on numerous occasions throughout the year. EURELECTRIC also presented coordinated DSO messages at this year's Florence Forum sessions in May and November.

Another part of EURELECTRIC's vision for DSOs, as reflected in our position on the network codes, is the shift DSOs will undergo from passive network operation to active system management. This will provide DSOs with more options for investments and operations. A EURELECTRIC paper on the role of decentralised electricity storage in the electricity grid, published in July 2012, provides one example of this shift. Focusing in particular on the implications for DSOs, the report shows how smart and small-scale storage could help DSOs manage their networks, paving the way for cost-efficient and flexible responses to the new energy challenges.

Carrying out pilots to test active system management will allow DSOs to analyse changes in customer behaviour and gain valuable experience. EURELECTRIC is therefore active in a number of initiatives that help foster smart grid projects and knowledge-sharing (see p. 32-33).

Open standards are crucial for cost-efficient sourcing of products and services affecting billions of euros of investments in distribution grids. EURELECTRIC represents and bundles DSO interests in the discussions on three standardisation mandates addressing smart meters (M/441), e-mobility (M/468) and smart grids (M/498) (see box p.35). EURELECTRIC will provide further input through a priority list identifying the crucial areas for which standards are urgently needed, such as the integration of electric vehicles and other distributed energy resources, peak demand management, power quality and grid optimisation.

DSO investments are also affected by a Commission Regulation proposal on power transformers. An estimation of possible costs based on the proposed numbers for new transformers suggests a cost increase in the order of more than €500m per annum. EURELECTRIC shared its views with the Commission in a position paper in May and sent a follow-up letter in November.

SUPPORTING INNOVATION TO ENABLE SMARTER DISTRIBUTION NETWORKS

The European level plays an important role in the development of smarter distribution networks by bringing together national experts from across Europe to share the experience gained from projects on the ground. This knowledge-sharing enables national experts to learn lessons from different projects throughout Europe. EURELECTRIC is therefore involved in several such initiatives for smart grids and e-mobility.

Green eMotion

The Green eMotion project consists of 43 partners from industry, the energy sector, electric vehicle manufacturers, and municipalities as well as universities and research institutions. They have joined forces to explore which basic conditions need to be fulfilled to achieve Europe-wide e-mobility. Practical research is being conducted in different demo regions across Europe with the aim of developing and demonstrating a commonly accepted and user-friendly framework that combines interoperable and scalable technical solutions with a sustainable business platform. Green eMotion will take into account latest smart grid developments, innovative ICT solutions, different types of electric vehicles, as well as urban mobility concepts. To further increase awareness of e-mobility within the Green eMotion framework, EURELECTRIC organised an event with EU Commissioners Kallas (Transport) and Oettinger (Energy) in June 2012, marking the beginning of a small demo site in Brussels by installing charging stations at the Commission premises.

CARS 21

EURELECTRIC was also involved in the European Commission's initiative CARS21 on moving towards a sustainable and competitive automotive industry. We provided expertise on e-mobility, in particular how to facilitate the roll-out of charging stations to ensure that the e-mobility market takes off in Europe. Further political measures to support the sustainable transition in the transport sector, with electrification as an enabler, are to be expected in 2013.





Electricity Highways

EURELECTRIC DSOs are a partner in the consortium of a three-year R&D project looking into the long-term development of the pan-European transmission network. The 'E-Highways' project involves ENTSO-E, TSOs, associations and RTD performers. The project aims at delivering a top-down methodology to support the network planning from 2020 to 2050. EURELECTRIC will ensure that the role of European DSOs is duly taken into account when an overlay grid is planned.

Smart Grids Projects

On 17 October, EURELECTRIC organised its first Smart Grids Projects Academy. The Academy is a new initiative consisting of a series of 'hands-on' workshops through 2012 and 2013, each of them focusing on a specific smart grid functional area, including 'smart integration', 'smart customers', 'smart metering management', 'smart distribution network' and 'distribution-transmission interface'. The first workshop brought together an exclusive set of 30 experts from industry, research and policy institutions that reflected on a handful of selected projects (from SSE, RWE and GRID4EU) and discussed the policy needs for further developments in the field of smart integration.

The Academy provides the perfect industry platform for practitioners to share results of deployed projects and to create synergies which will be critical for future success. The outcomes of the first workshop are summarised in a 'smart integration' leaflet, part of a larger paper



that will outline the innovative actions taking place in distribution networks today. Meanwhile, the EU can continue to facilitate the learning process by bundling information on pilot and demonstration projects, as it already does in collaboration with EURELECTRIC on www.smartgridsprojects.eu.

In addition, EURELECTRIC published the 'Smartness Barometer' report to help potential investors assess smart grids investments. The work was carried out in close collaboration with the Commission's Joint Research Centre and the InovGrid project developed by Portuguese DSO EDP Distribuição.



“DSOs are best suited to provide data to the market players”

Ari KOPONEN, EURELECTRIC

The EU is currently looking into how best to roll out smart meters and grids in Europe. Should it adopt a model in which DSOs act as market facilitators? We ask Jan PÁNEK, Head of Unit Retail Markets, Coal & Oil at the European Commission's DG Energy, and Ari KOPONEN, Vice-Chairman of the EURELECTRIC DSO Directors' Gathering, to argue their case.

JP Earlier this year, the Commission relaunched its Task Force Smart Grids to look into the various issues surrounding smart grids in Europe. Within this task force, Expert Group 3 aims to define a number of reference options for the deployment of smart meters and grids. We are currently discussing three models: 'DSO as market facilitator', 'third party market facilitator' and 'data access point manager'. I would like to stress that the purpose of this work is not to hold a beauty contest and crown a winner, but to analyse a few parallel alternatives to empower consumers, while keeping data privacy and security of the processes involved.

AK It makes sense for the Commission to investigate several models because of different conditions in different member states. Nevertheless, EURELECTRIC strongly supports the model in which DSOs act as neutral 'market

facilitators' and enablers of active demand. The core of this model is a standardised data hub where DSOs store the data related to their supply and demand points and from which the market parties collect the customer data they need to offer innovative 'active demand' services to customers.

JP The three alternatives analysed represent the minimum three models of data handling on which to build viable business cases. They basically represent different political choices towards the roll-out of smart metering and the deployment of smart grids solutions. One of the key questions is where we draw the line between the regulated business and the market, and what that means in terms of the definition of a DSO as a natural monopoly. Should DSOs really be exclusively in charge of data transmission and data services? Customers tell us they worry about supplying all the data to the DSO and 'not getting anything for it'.

AK It is about value creation on the top of smart grids. The value does not come from the data as such but from the new services that could be created thanks to these data. A smart infrastructure will open up new business opportunities for suppliers, aggregators and ESCOs. The DSO as a market facilitator model enables all market

EU NETWORK CODES: GETTING DSOS INVOLVED

Network codes will lay down the necessary rules to complete the Internal Energy Market by 2014. While the ENTSOs are in charge of drafting the codes, appropriate engagement of stakeholders such as generators and DSOs throughout the process is important to make sure the final codes reflect their needs and are technically sound. In particular, the codes should concentrate on issues that may have an impact on overall system security and cross-border trade, leaving DSOs the freedom to manage their system intelligently in the context of growing amounts of distributed generation and flexible loads. EURELECTRIC DSOs have therefore been pushing for closer involvement in the drafting process of the codes on grid connection, balancing and system operation, which are in different stages of development. Following a joint push by EURELECTRIC and DSO associations CEDEC, GEODE and EDSO4SG, ENTSO-E agreed to establish DSO advisory groups for all relevant network codes. This sets a good baseline for TSO-DSO cooperation at the European level.

“Should DSOs really be exclusively in charge?”

Jan PÁNEK, EUROPEAN COMMISSION



players to access all the data they need in a timely, transparent and non-discriminatory manner. These data come from metering operators, which are usually DSOs. DSOs are thus best suited to provide the data to the market players and to ensure a level playing field between them – thereby also promoting competition.

JP Of course this can be a plausible option in some circumstances. But I wonder if this model means that DSOs themselves will not be offering new services to customers and will leave the new business opportunities to others. Also, so far many stakeholders are neither convinced that this is the only possible model, nor that it is the best option for many cases. Open standards and further definition of the possible rules and responsibilities of the market actors, including those from ICT/telecom sectors, should be further analysed during the next months. In this respect, it is important to include a strong, single DSO voice in these discussions as well as in the work of European standardisation bodies.

AK We cannot forget that DSOs' primary responsibility is to ensure quality of service in their grids. In order to fulfil those responsibilities in the context of new challenges, DSOs need new tools, including more sophisticated technical information from network customers. Smart

grids will allow them to gather these data and to use the data to improve the operation of the grid. This is the key value DSOs bring to their customers and the reason why only DSOs can play the market facilitation role without jeopardising security of supply. Meanwhile, the role of suppliers and other market parties is to develop products and services tailored to customer preferences.

JP We also cannot ignore other consumer security concerns, in particular regarding data and privacy. Within the Commission, we are very much aware of the challenges regarding data security, privacy protection and cyber security. In fact, we are working on some practical recommendations on those issues that we would like to finalise early next year.

AK As regards data security and privacy, customers will always remain in full control of their personal data. Moreover, the storage of aggregated consumer data in a regulated environment enables effective verification and validation of privacy, quality and security.

JP In this respect, it is also important that DSOs as system operators are adequately involved in the work of our Task Force Smart Grids. Given the positive experience of working with EURELECTRIC and other stakeholders in that grouping, I am sure that good solutions can be found.

SMART GRID STANDARDISATION: WORK IN PROGRESS

In March 2011, the European Commission mandated the three European standardisation bodies CEN, CENELEC and ETSI to develop standards in support of European smart grid deployment, within a challenging timeframe of 18 months. The process involves a multitude of standardisation experts from many different sectors along the value chain – from generators and network operators to ICT companies and equipment manufacturers. In order to cope with this large and complex exercise a Smart Grid Coordination Group was set up to steer and support the work. A first set of standards for smart grids was made available by the end of 2012, and the standardisation process will continue in the year ahead.

SUSTAINABLE ELECTRICITY



MOVING TOWARDS AN IMPROVED, CLEAR, LONG-TERM EU CLIMATE POLICY FRAMEWORK

The EU Emissions Trading System must continue to drive Europe's climate ambitions

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WATER POLICY: A PRIORITY FOR EUROPE AND OUR SECTOR

The power sector's use of water makes EU water policy a major area of concern

PAGE 42



"CONCENTRATIONS OF FINE PARTICLES IN EUROPE LARGELY EXCEED THE RECOMMENDED VALUES"

Interview with Richard Ballaman, Chair of the Working Group on Strategies and Review under the UNECE Convention on Long-Range Transboundary Air Pollution

PAGE 43



Reducing the power sector's carbon footprint is one of our major goals: by 2050 we aim to produce carbon-neutral electricity across Europe. As part of the EU's Emissions Trading System, our sector is already paying for the CO₂ it emits. Moreover, we are continuously working to minimise our impact on the environment: by reducing emissions other than CO₂, by using water and energy more efficiently – and by encouraging our customers to do the same. It's all part of one overall objective: making our sector more sustainable.

MOVING TOWARDS AN IMPROVED, CLEAR, LONG-TERM EU CLIMATE POLICY FRAMEWORK



EURELECTRIC's Board has decided that it is in the common interest of our sector to call on the EU institutions to adopt a clear, long-term climate policy framework. This should consist of firm, long-term, economy-wide emissions targets for 2030 up to 2050, with the EU Emissions Trading Scheme (ETS) as the “key driver” instrument.

THE ETS MUST BE DEFENDED
AS THE MOST EFFECTIVE
AND MARKET-COMPATIBLE
MECHANISM AVAILABLE TO
DELIVER GREENHOUSE GAS
REDUCTIONS




More specifically, EURELECTRIC believes that a key underlying cause of current concerns about the ETS is the lack of coherence between the instruments being used to deliver the 20:20:20 policy objectives, and that the ETS must be defended as the most effective and market-compatible mechanism available to deliver greenhouse gas reductions. The Board therefore decided in November 2011 that EURELECTRIC needed to join the growing public debate on the ETS, or risk not being heard. In March 2012 the Board further decided to support a short-term fix to the ETS, linked to a long-term resolution of the coherence problem.

During 2012 members of the Environment and Sustainable Development Policy Committee and its working groups, together with the Secretariat, have worked first to convince the EU institutions these issues need answering, and second to advocate our preferred answers. It is a slow and laborious task – our criticisms of the current EU 20:20:20 package have not always been welcome! Nonetheless, as we move into 2013, there is potential for progress on both the 2030 CO₂ reduction target and the ETS during the remainder of the current EU mandate until November 2014.

Policy coherence

Concerning policy coherence, the crucial lesson learned by our sector about the 20:20:20 package is that its policy instruments are competing with one another. Strong subsidies for renewables and separate energy efficiency targets are undermining the electricity market and the effectiveness of the ETS as a market compatible tool for cost-effective emissions reductions.

Throughout the year EURELECTRIC has repeatedly raised this concern with the Commission, most publicly at a EURELECTRIC workshop in October. Our key task in the first half of 2013 will therefore be to define EURELECTRIC's preferred solution. One long-term answer being considered by the Commission is to focus on policies to deliver renewables and energy efficiency. But in this case the ETS would not be the driver for low-carbon investments. Another solution could be for the ETS to be the single policy instrument after 2020, with no additional support for mature renewables and energy efficiency technologies outside the carbon price. These are two scenarios for EURELECTRIC members to discuss. A middle-way solution is also being explored by EURELECTRIC using the Power Choices Re-Loaded study which will be published early in 2013. 

ETS

During 2011-12 the structural problems of policy coherence and uncertainty about targets beyond 2020 helped to cause the ETS carbon price to fall below 10 euros. First the European Parliament, and then the Commission, declared a crisis of “imbalance of supply and demand.”

EURELECTRIC has been deeply concerned by this because of the impact on the 2030 policies debate, where the perception that the ETS is weak adds to the risk that other, less market-friendly policies will be preferred.

The Commission has put forward two proposed solutions for strengthening the ETS to survive the current crisis. (1) A temporary re-profiling (“back-loading”) of auction timing in phase 3 up to 2020. (2) A structural reduction in the ETS cap. The back-loading proposals were published in July. A discussion paper with options for structural measures was published in mid-November, but implementation of any of these will require a lengthy legislative process. The structural options include a

one-off “retirement” (set-aside) of EUAs in phase 3, a tightening of the annual linear reduction factor in the ETS cap either in phase 3 or after 2020 in phase 4, or the inclusion of other sectors into the ETS – also probably after 2020. The Commission is also considering a price floor and the role of international offset credits.

In this fast-changing situation, EURELECTRIC has given conditional support to the Commission’s proposed back-loading in order that the ETS can remain a credible instrument during trading period 3 to 2020. At the same time, we have made clear that our primary interest is to assess the structural cap reduction measures in the context of an economy-wide 2030 greenhouse gas target decision.

Crucially, EURELECTRIC has called for the Commission to steer a single, coherent and finite process of EU decisions which links together agreement on a 2030 target, on the ETS phases 3 and 4, the future of renewables and energy efficiency beyond 2020, and the internal energy market.

FIFTH ENVIRONMENT AND SUSTAINABLE DEVELOPMENT REPORT

In May, EURELECTRIC published the fifth edition of its Environment and Sustainable Development Report. In the tradition of its previous editions, the report covers the three pillars of sustainability: environmental protection, economic development and contribution to the well-being of workers and society. The report is presented in the context of the external events (financial crisis and the Fukushima Daiichi accident) and ambitious energy, climate and environment policies (2020 targets, REACH regulation, sustainable water management and resource efficiency) that are shaping the future of the electricity industry. Key indicators illustrate the continuing decoupling between electricity generation and electricity-related emissions (CO_2 , SO_2 and NO_x) and the take-off of renewable energy sources, in particular variable ones, which are transforming Europe’s energy system. The report also features a special chapter on biodiversity, showcasing the power sector’s efforts to prevent and mitigate impacts on biodiversity and natural landscapes.



ENERGY EFFICIENCY

In June 2011 the European Commission proposed a new Directive on energy efficiency to make up the gap between current policies and the 20% by 2020 savings target. This Directive was adopted in June 2012 and will be implemented during 2013.

EURELECTRIC's energy efficiency working group engaged closely in the negotiations around the proposed Directive, where the Commission, European Parliament, and governments each had very different ideas about what would be a good outcome. Numerous meetings also took place with other stakeholders and experts to examine the viability and probable impacts of the different options. These meetings included a valuable dialogue with the International Energy Agency, and in mid-January EURELECTRIC joined the IEA in a European workshop on the role of energy companies in providing energy efficiency services.

EURELECTRIC supported the overall outcome of the negotiations, which showed significant improvement in allowing electricity companies more flexibility to respond to customer needs. Nonetheless, EURELECTRIC sees a need for more work on energy efficiency, and especially on the assessments of different heating and cooling technologies, where the current coefficient is unfavourable to electricity. During 2013-14 EURELECTRIC will therefore build on existing dialogue with the IEA, focusing on the coefficient.

ENERGY WISDOM PROGRAMME

On 8 May, EURELECTRIC officially launched its 6th Energy Wisdom Programme (EWP) report in the European Parliament. Around 70 delegates from Parliament, Commission and industry attended. The EWP allows electricity companies to present their innovative projects aimed at reducing carbon emissions and improving energy efficiency. The 6th report outlines the results of the 2010-2011 reporting cycle. Sixteen electricity companies reported around 150 projects, ranging from power generation through transmission & distribution to end-use energy efficiency. The reported projects contributed to the avoidance of some 99 Mt of CO₂ eq. and primary fuel savings of about 24 Mtoe.

More information on participating companies and individual projects can be found at www.eurelectric.org/ewp.





WATER POLICY: A PRIORITY FOR EUROPE AND OUR SECTOR

On 14 November, the European Commission published a *Blueprint to Safeguard Europe's Water Resources*, the EU policy response to water-related challenges. The EU had dedicated 2012 as a year of “focus on water”, and with water issues of major concern to the power sector, EURELECTRIC also made water one of its priorities for the year.

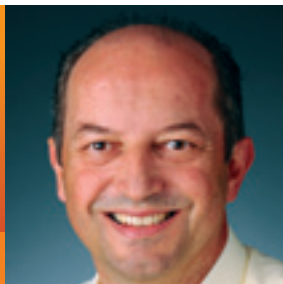
The Blueprint builds on several existing EU measures, including the assessment of the River Basin Management Plans which governments adopted under the Water Framework Directive, the review of EU action on water scarcity and drought, the assessment of the vulnerability of water resources to climate change and other man-made pressures, and a ‘fitness check’ of freshwater policy. Although the Blueprint does not propose any new legislation, it does contain a list of proposals for voluntary action.

In the run-up to the Blueprint, EURELECTRIC responded to several public consultations, which we used to stress our concerns about the consistency of the water and low-carbon agendas. We also contributed to the debate on the effectiveness of current water pricing in improving water efficiency, in particular to ensure that policymakers distinguish between the power sector's gross and net water use. EURELECTRIC experts were moreover deeply

involved in activities related to water modelling and water accounting, conducted under the Blueprint. Water savings and water efficiency are becoming increasingly important as water scarcity and droughts become more frequent and severe in a changing climate.

To further raise the industry's profile on water issues, EURELECTRIC organised a public conference on 20 September and launched a dedicated water webpage and a short key message paper on the same day. During the event, EURELECTRIC experts explained how different forms of electricity generation rely on water and how the existing regulatory framework regulates the way the power sector ‘uses’ water. They also expressed the widespread concern that requirements driven solely by water policy would not properly assess trade-offs with other policy objectives, for instance the role of hydropower in reaching the EU's renewables targets or the impact of different water-based cooling systems on power plant efficiency and emissions.

EURELECTRIC experts will continue to give their input into water-related developments, including the issues that have been identified in the Blueprint for further voluntary work in the coming years, through the Common Implementation Strategy (CIS) structure set up to oversee the implementation of the Water Framework Directive.



“Concentrations of fine particles in Europe largely exceed the recommended values”

In May 2012, the Executive Body of the UNECE Convention on Long-Range Transboundary Air Pollution adopted amendments to the 1999 Gothenburg Protocol, a multi-pollutant protocol designed to reduce acidification, eutrophication and ground-level ozone. The revised protocol sets 2020 emission ceilings for sulphur dioxide, nitrogen oxides, volatile organic compounds, ammonia and particulate matter, which will be incorporated into the EU's updated air quality policy in 2013. Richard Ballaman, who chaired the negotiations, explains the key outcomes.

However, there is still too much deposition of nitrogen compounds, resulting from excessive emissions of nitrogen oxides from combustion and ammonia losses in agriculture. Similarly, concentrations of fine particles in Europe largely exceed the values recommended by the World Health Organisation.

As for tropospheric ozone, the importance of the transboundary dimension and the necessity to further reduce emissions from precursor gases are one of the major challenges for the revised Gothenburg Protocol. Tropospheric ozone and methane, as well as black carbon, are short-lived climate pollutants whose emissions must be reduced to improve air quality and public health as well as to mitigate climate change.

“What are the key features of the revised Gothenburg Protocol?”

The 1999 Gothenburg Protocol is part of the UNECE Convention on Long-Range Transboundary Air Pollution (CLRTAP). The revision of the Protocol, adopted in May 2012, addresses two key concerns.

On the one hand, it updates technical requirements and emission reduction commitments beyond 2010. For instance, to reflect technical progress since 1999, it was necessary to update documents on best available techniques and mandatory emission limit values for stationary and mobile sources. Moreover the emission reduction objectives for 2020 are no longer expressed as absolute national ceilings, but are instead set as a percentage compared to a reference year (2005).

On the other hand, the revision aims to facilitate access to the Protocol for the countries of Eastern Europe, the Caucasus and Central Asia.

“Air quality has improved over the past decades but it still remains an important issue in Europe and beyond. What do you think are the main challenges for future air policies?”


The decrease in sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions has significantly reduced acidification of terrestrial and aquatic ecosystems. For instance, we can observe positive signs of biological recovery in Scandinavian lakes.

“EURELECTRIC has been a long-time UN observer, including to the negotiations on the Gothenburg Protocol. What do NGOs, and industry associations such as EURELECTRIC in particular, bring to the debate?”

The active participation of industry associations is particularly appreciated in expert groups such as the Expert Group on Techno-Economic Issues where best available techniques and associated emission limit values are established. Their participation is also very useful in the Task Force on Integrated Assessment Modelling, which develops emission reduction scenarios based on the implementation of cost-effective measures.

Finally, associations with an observer status are welcome during the negotiations taking place in the Working Group on Strategies and Review and then in the Executive Body: they ensure transparency in the decision-making process and facilitate the communication of the negotiation outcome and later the implementation of the Protocol at national level.

Richard BALLAMAN is Chair of the Working Group on Strategies and Review under the UNECE Convention on Long-Range Transboundary Air Pollution.

A photograph showing a close-up of two hands shaking in a firm grip. The hands are wearing light-colored suit sleeves. In the background, a large, out-of-focus crowd of people is visible, suggesting a formal event or conference. The image is overlaid with a semi-transparent orange gradient on the left side.

EUROPEAN ELECTRICITY SOCIAL DIALOGUE

The European electricity sector social dialogue allows EURELECTRIC to address sector-wide issues with the European trade union bodies EPSU and IndustriALL, supported by the European Commission. Recent activities have focused mainly on anticipating change caused by the transition towards a low-carbon economy. In this perspective, we believe that social dialogue at European level has a key role to play in complementing national efforts to enable a smooth transition of our sector.

Role of public services

In 2011 and 2012 EURELECTRIC thus took part in a joint project “Change in Public Services: Fora for the improvements of expertise in restructuring”, which involved employers and employees of six key public service providers. The project allowed them to speak with one voice on common challenges, including the economic and financial crisis, demographic change and ageing of the workforce, and skills needs. The outcomes were presented at a conference in February 2012, which closed with the signing of a joint declaration highlighting the contribution of public services to the economy.

EURELECTRIC continued its cooperation with other public service providers by adopting a joint declaration at the Tripartite Social Summit in October 2012. The summit gathers European social partners, the European Commission, and the current and two subsequent EU Presidencies. Discussions focused on “promoting growth, jobs and social inclusion: the involvement of social partners”. In this perspective, the joint declaration urged EU policymakers to “think the future”.

Anticipating future skills needs

Back in 2010, EURELECTRIC, EPSU and IndustriALL published a study analysing measures taken by the electricity sector to address climate change with regard to their impact on sector-related employment, working conditions, skills and qualifications. In 2012 the three partners carried out a follow-up project to identify national and local bodies whose work is related to electricity (and energy) sector skills, competencies, qualifications and labour market research. The findings will help the associations to better understand and anticipate developments related to employment, human resources and skills. The next step will lie in assessing whether the identified national bodies would be interested in closer cooperation at European level within a European Sectoral Skill Council.

SPOTLIGHT ON EURELECTRIC

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EURELECTRIC'S ANNUAL CONVENTION AND CONFERENCE – IMPRESSIONS

“We urgently need investment in Europe’s transmission and distribution grids, in new power plants, and in innovative technologies like smart grids. But policy as well as regulatory uncertainty is blocking access to capital...”

EURELECTRIC President and CEO of ENEL, Fulvio Conti, thus set the tone of the association’s annual industry event, hosted this year by Maltese member Enemalta on 4-5 June.

The conference attracted over 400 delegates from industry, EU and international circles and was sponsored by EURELECTRIC Business Associates Accenture (Gold sponsor), Pöyry (Silver) and Ormazabal (Bronze).

Entitled **“Politics vs. Industry: On the Cliff Edge – Europe’s New Energy Challenges”**, conference debates focused on how to render the industry “investable”, with several keynote speakers calling on EU decision-makers to reassure investors that an integrated and efficient energy market was still at the heart of the EU’s strategy to achieve a sustainable, competitive, low-carbon

economy by 2050. The transition to a “new era” for European energy in an increasingly difficult economic, financial and political climate was discussed at length in four specific sessions dedicated to analysing: i) global energy challenges, ii) mismatched European energy/ climate policy instruments, iii) financing of investments, and iv) the role of EU islands as “test beds” for mainland energy solutions.

As in the past, the event also included the presentation of a EURELECTRIC industry and student award (see article on page 50).

Preparations are now underway for the **annual EURELECTRIC conference in Bologna next 3-4 June, hosted by ENEL** and entitled **“Innovative Investments: Re-energising Europe”**.



WELCOME AND OPENING ADDRESSES



“The energy sector is faced with increasing policy demands but electricity companies are having problems raising the necessary capital. A clear and stable long-term regulatory framework is key for the power sector to secure the large investments needed.”

Fulvio CONTI, EURELECTRIC President and CEO of ENEL



“Malta is firmly committed to reaching the target of 10% renewables of energy consumption in 2020. But new investments are needed to help electricity prices reach more reasonable and stable levels in the coming years.”

Tonio FENECH, Maltese Minister of Finance, the Economy and Investment



“Surely the right reaction in the present situation is not to pit industry against politics, but to refocus politics and industry together on the overall objectives for energy policy. [...]The immediate challenge is to make energy markets work in a way which makes sense for suppliers, systems operators and consumers, while at the same time enabling us to stay on the path towards the 2050 low carbon energy objective.”

Philip LOWE, Director General of the European Commission's DG Energy, on behalf of EU Energy Commissioner Günther Oettinger

Session I

ENERGY CHALLENGES: A GLOBAL PERSPECTIVE

This session took a specifically international view of events shaping European energy policy and corporate strategies worldwide, focusing strongly on investment and innovation challenges and opportunities. Ensuring sustainable growth and access to energy in the developing world was also a key part of the discussions.

“Energy is a fundamental right [...] and a precondition for growth and development. [...] I ask you to do what you do best: seek opportunities, be innovative and look into the future.”

Andris PIEBALGS, EU Commissioner for Development

“We are facing our biggest challenge of the last few decades on the way into an unknown future. It is time to be inventive, innovative and brave.”

Fulvio CONTI, EURELECTRIC President and CEO of ENEL

“Please give us a set of rules and let us be.”

Michael G. MORRIS, Chairman of the Board of American Electric Power

“The unstable regulatory framework in Europe is currently discouraging new investments to the extent that Asian sources of capital are more willing to invest in America than in Europe. Costs of renewables need to come down; renewables need to become more competitive.”

Dominik THUMFART, Managing Director and Co-Head of Infrastructure & Renewable Energy Finance at Deutsche Bank



Session II

MISMATCHED EUROPEAN POLICY INSTRUMENTS: ENERGY/CLIMATE REALITY CHECK

European energy and climate issues came under scrutiny in this session, with several participants raising concerns that incoherent and overlapping policy instruments were putting necessary investments at risk. The session also looked at the DSO perspective on energy networks and the distinct role of DSOs as market facilitators.

“If we want the ETS to be the key driver, we need to ensure it will give the right investment signal, and we have to do it now.”

Connie HEDEGAARD, European Commissioner for Climate Action

“One thing is clear: electricity companies cannot invest if member states try to regulate every single detail of our business, often even going against EU regulation. Investors sense it, and react accordingly.”

Johannes TEYSSEN, Vice President of EURELECTRIC and CEO of E.ON AG

“The challenge for distribution system operators will be at the core of the electricity system, as they will be market enablers responsible for setting up the playing field.”

Michèle BELLON, Chair of the EURELECTRIC DSO Directors' Gathering and CEO of ERDF

“It is not only the European Commission who makes policy, but it's about having the whole industry co-operating to cost-efficiently deal with the issue using the right instruments like the network codes.”

Inge BERNAERTS, Head of Unit for Wholesale Markets, Electricity and Gas at the European Commission's DG Energy

“For the past decade we have been missing the synchronisation between the ‘software’ and the ‘hardware’ of our power system [...] Cooperation with DSOs will become more important to optimise the European power system approach.”

Daniel DOBBENI, President of ENTSO-E

Session III

CEO FORUM: FINANCING INVESTMENTS, REFINING STRATEGIES

Increasing EU policy demands and limited financing options provided the backdrop for this session. CEOs shared their views on the future of the industry, what strategies they have outlined, and who is ultimately accountable – industry or politics – for the “missing links” in the development of a single European internal energy market.

“The single market is clearly a vision, but to achieve it Europe would need 30,000 kilometres of new interconnections, and they are unlikely to be built by 2014.”

Matias ALONSO, Global Managing Director, Utilities Industry Group - Accenture

“Without more interconnection capacity, achieving the single electricity market by 2014 is impossible. There is a clear disconnect between EU objectives, what industries aim for and what local governments can deliver, while political will is also lacking to build necessary interconnectors.”

Fulvio CONTI, EURELECTRIC President and CEO of ENEL

“Further market integration in Europe would require market coupling and harmonised regulation, but interconnectors are the real crucial factor... Strategic planning is getting more difficult because of regulatory and political uncertainty.”

Tapio KUULA, President and CEO of Fortum

“Promising progress in market integration has been made in North-West Europe but additional big steps forward are needed in 2012 to show clear success in the rest of Europe.”

Oluf ULSETH, CEO of Energy Norway

“Insufficient infrastructure development, especially due to public acceptance problems, could be the major obstacle in reaching the 2020 RES target.”

Wolfgang ANZENGRUBER, CEO of Verbund AG

“The industry should not accept having its future rely primarily on subsidised generation investments.”

Pat O'DOHERTY, CEO of ESB

“While RES subsidies have become a hot political issue – in particular due to the high level of feed-in tariffs for photovoltaic – there is an urgent need to remove older subsidies on lignite and gas as well.”

Arthouros ZERVOS, CEO of Public Power Corporation S.A. (PPC)

Session IV

EU ISLANDS: TEST BEDS FOR MAINLAND INTEGRATION?

The session provided insights into the specific challenges facing Europe's islands on their way to a more sustainable energy future. A number of case studies were presented exemplifying the innovative solutions that islands are finding to make their energy systems more sustainable – and what lessons they hold for the mainland.

“EU islands are fantastic places. Let's not neglect them but find case-by-case solutions to put them on a sustainable energy track, taking into account local realities.”

Tom WOODFORD, Chairman of the EURELECTRIC Islands Group and Generation Manager at Guernsey Electricity

“Demonstration is a crucial step in development and deployment of innovative solutions. Islands can be particularly suitable as demonstration sites.”

Mechthild WÖRSDÖRFER, Head of Unit for Energy Policy at the European Commission's DG Energy

“Island energy managers should not only experiment with new generation technologies, but should also focus on demand response and new ICT tools.”

Stine GRENA JENSEN, Senior Economist at the Danish Energy Association

“Islands should tap into their strengths to lead the energy transition.”

David PADFIELD, Operations Director at Jersey Electricity





EURELECTRIC AWARDS 2012



The 2012 EURELECTRIC Industry Award went to Jean-Michel Glachant, Director of the Florence School of Regulation and Holder of the Loyola de Palacio Chair at the European University Institute of Florence. The award was given to Mr Glachant in recognition of the Florence School's insights into EU energy policymaking and regulation – and the Institute's research on the policy challenges of climate change.

Mr Glachant's ideals – and those of the institutions he heads – mirror the voice of the electricity industry in that

they are focused around building a common European energy policy and achieving the European internal energy market.

In addition to the Industry Award, a student prize went to Italian student Federico G. Lioy for his essay on how innovation could jumpstart a clean energy economy. Mr Lioy, Masters student of the SAFE "Management of Energy Resources" programme, focused on the role of technological innovation applied to energy efficiency, showing that it could strongly support the decarbonisation process of the energy sector.

EURELECTRIC ONLINE

2012 saw the launch of a newly redesigned EURELECTRIC website during our Annual Convention in Malta – all this amidst a flurry of 'live tweets' as EURELECTRIC used the opportunity to spread the word and raise its profile on social media.

We have created a more accessible website with a more modern design and a more engaging editorial style. Our regular visitors will have noticed an easier-to-use navigation bar which highlights the main themes of our policy work. A greatly improved search function helps users to better locate relevant information, including events, publications and news articles.

The website was also designed to reflect our evolution towards more usage of multimedia channels such as photos and videos. Our hope is that these additional tools will offer you a more user-friendly experience. We hope you enjoy it!

In addition to visiting our website, you may also connect with us on Twitter: <http://twitter.com/EURELECTRIC>. Or join the conversation on our blog: <http://blog.eurelectric.org>



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EURELECTRIC MEMBER ORGANISATIONS

FULL MEMBERS (35)

COUNTRY	MEMBER ORGANISATION
AUSTRIA	Österreichs E-Wirtschaft
BELGIUM	Fédération Belge des Entreprises Electriques et Gazières (FEBEG) / Federatie van de Belgische Elektriciteits- en Gasbedrijven (FEBEG) Synergrid
BULGARIA	Bulgarian Electric Power Association
CROATIA	Croatia EURELECTRIC Section – Croatian Chamber of Economy
CYPRUS	Electricity Authority of Cyprus
CZECH REPUBLIC	Cesky svaz zamestnavatelů v energetice (CSZE)
DENMARK	Dansk Energi
ESTONIA	The Union of Electricity Industry of Estonia
FINLAND	Energiateollisuus ry
FRANCE	Union Française de l'Electricité (UFE)
GERMANY	Bundesverband der Energie- und Wasserwirtschaft e.v. (BDEW)
GREECE	Hellenic Electricity Association (HELAS)
HUNGARY	EURELECTRIC Magyarországi Tagozat
ICELAND	Icelandic Energy and Utilities (SAMORKA)
IRELAND	Electricity Association of Ireland (EAI)
ITALY	Unione dell'Elettricità Italiana (UNEI)
LATVIA	Latvian Association of Power Engineers and Energy Constructors (LEEA)
LITHUANIA	Nacionalinė Lietuvos Elektros Asociacija
LUXEMBOURG	Organisation des Entreprises d'Electricité du Luxembourg
MALTA	ENEMALTA Corporation
NETHERLANDS	Energie-Nederland Netbeheer Nederland
NORWAY	Energi Norge
POLAND	Polski Komitet Energii Elektrycznej (PKEE)
PORTUGAL	Associação Portuguesa das Empresas do Sector Eléctrico (ELECPOR)
ROMANIA	Romanian Institute for Energy Development Studies (IRE)
SLOVAKIA	Zväzu zamestnávateľov energetiky Slovenska (ZZES)
SLOVENIA	Slovenian Chamber of Commerce, Energy Association, EURELECTRIC Section
SPAIN	Asociación Española de la Industria Eléctrica (UNESA)
SWEDEN	Svensk Energi Swedenergy AB
SWITZERLAND	Verband Schweizerischer Elektrizitätsunternehmen (VSE) / Association des Entreprises Électriques Suisses (AES)
TURKEY	Türkiye Elektrik Sanayi Birliği (TESAB)
UNITED KINGDOM	Energy UK Energy Networks Association (ENA)

EUROPEAN AFFILIATE MEMBERS (7)

COUNTRY	MEMBER ORGANISATION
ALBANIA	Korporata Elektroenergjitiqe Shqiptare (KESH)
BELARUS	Belenergo
BOSNIA-HERZEGOVINA	Elektroprivreda Bosne i Hercegovine
RUSSIA	NP Market Council
SERBIA	Electric Power Industry of Serbia
UKRAINE	Ukrenergo
UNITED KINGDOM	Jersey Electricity Company Ltd.

MEDITERRANEAN AFFILIATE MEMBERS (5)

COUNTRY	MEMBER ORGANISATION
ALGERIA	Société Nationale de l'Electricité et du Gaz (SONELGAZ)
EGYPT	Egyptian Electricity Holding Company (EEHC)
ISRAEL	The Israel Electric Corporation Ltd.
MOROCCO	Office National de l'Electricité (ONE)
TUNISIA	Société Tunisienne de l'Electricité et du Gaz (STEG)

INTERNATIONAL AFFILIATE MEMBERS (5)

COUNTRY	MEMBER ORGANISATION
JAPAN	Central Research Institute of Electric Power Industry (CRIEPI)
KAZAKHSTAN	Kazakhstan Electricity Grid Operating Company (KEGOC)
MAURITIUS	Central Electricity Board (CEB)
SOUTH AFRICA	ESKOM
UNITED ARAB EMIRATES	Abu Dhabi Water and Electricity Authority (ADWEA)

ELECTRICITY INDUSTRY ASSOCIATES (8)

COUNTRY	MEMBER ORGANISATION
FRANCE	Compagnie Nationale du Rhône (CNR)
SWITZERLAND	BKW/FMB Energie AG
SWITZERLAND	Alpiq Suisse SA
SWITZERLAND	Groupe E
SWITZERLAND	Onyx Energie Mittelland
SWITZERLAND	Rätia Energie
SWITZERLAND	Romande-Energie
SWITZERLAND	Services Industriels de Genève

BUSINESS ASSOCIATES (28)

ABB	GLEN DIMPLEX
Accenture	IBM
Alstom Belgium Business & Services S.A.	IHS CERA
APX-ENDEX	Itron
AREVA	KEMA Consulting
Burmeister & Wain Scandinavian Contractor A/S	Landis+Gyr AG
CESI – Centro Elettrotecnico Sperimentale Italiano	ORMAZABAL Y CIA, S.L.U.
CISCO	Pöyry Management Consulting Ltd
D.TEK	PricewaterhouseCoopers
Elster GmbH	Rabobank
Energy Insights	Siemens AG
EPEX Spot SE	Tesla (Europe) Ltd
GEN Nederland BV	VESTAS Wind Systems A/S
General Electric Power Systems	Wärtsilä Corporation

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SWITZERLAND	Mr. Hans Eberhard SCHWEICKARDT Président du conseil d'administration Alpiq Holding Ltd. (Lausanne – CH)	Mr. Michael FRANK Director Swiss Electricity Industry Association (VSE)
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UNITED KINGDOM	Ms. Angela KNIGHT Chief Executive Energy UK Mr. David SMITH Chief Executive Energy Networks Association (ENA)	

OBSERVERS

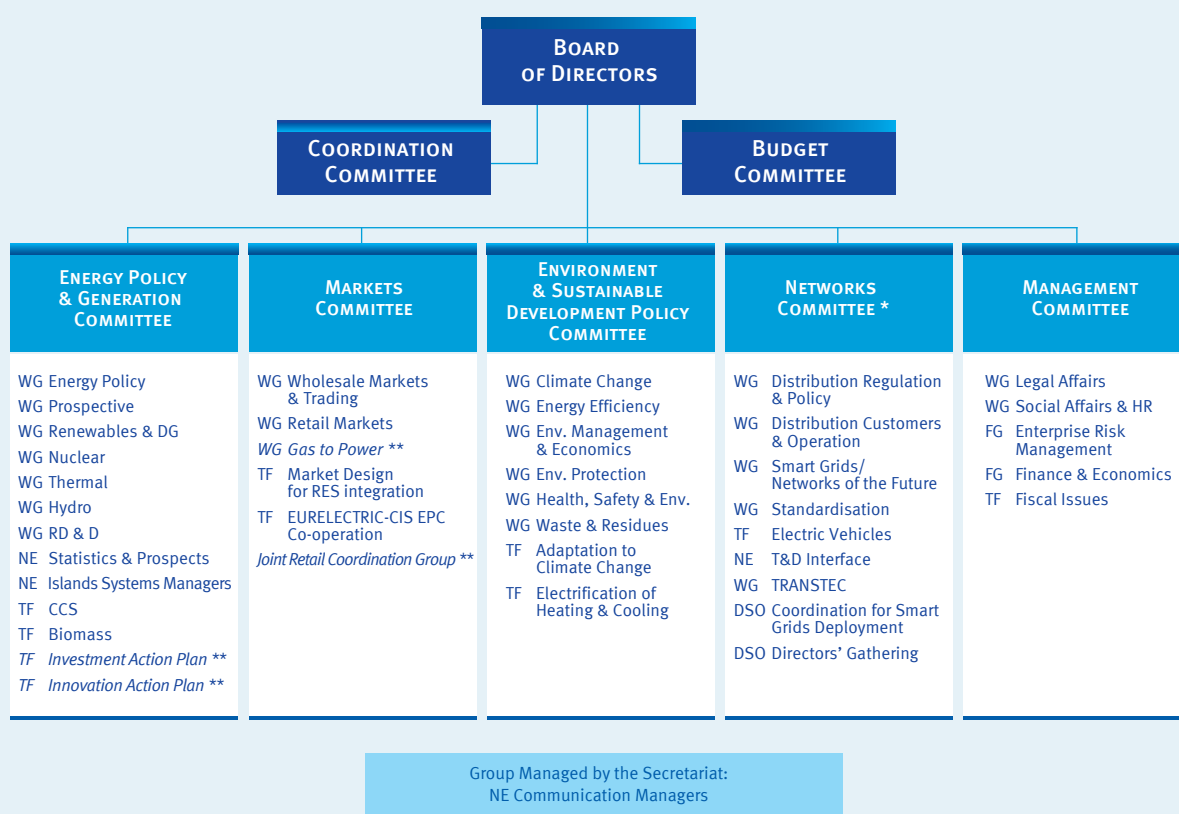
CHAIR OF DSO DIRECTORS' GATHERING	Mrs. Michèle BELLON CEO Electricité Réseau Distribution France – ERDF
EUROPEAN AFFILIATE MEMBER	Mr. Vyacheslav KRAVCHENKO Chairman of the Board NP “Market Council” / COBET PbiHKA Russia
PRESIDENT OF MEDELEC	Mr. Ghaleb MAABREH President National Electric Power Company (NEPCO) Jordan

OUR PARTNERS

EURELECTRIC works in cooperation with a number of associations and organisations whose expertise supports and assists our strategic analysis and policy work. Besides the many and varied instances of ad hoc cooperation with a broad range of stakeholder representatives, EURELECTRIC has a formal cooperation arrangement with organisations in various fields of expertise.



ORGANISATIONAL AND EXPERTISE STRUCTURE













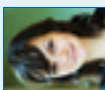
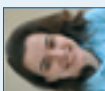




















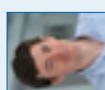

* The Networks Committee is composed of the 'DSO Directors' Gathering' (rep of DSOs and associations representing DSOs) and the 'Networks Council' (representatives of EURELECTRIC's Full Member Associations)

** Joint expert group involving other Committees

WG: Working Group
TF: Task Force
NE: Network of Experts
FG: Focus Group

As on 31 December 2012

EURELECTRIC STAFF

 HANS TEN BERGE Secretary General		 VERONICA WADE Personal Assistant to the Secretary General				
ENERGY POLICY AND GENERATION	MARKETS	NETWORKS	ENVIRONMENT AND SUSTAINABLE DEVELOPMENT POLICY	MANAGEMENT	POLICY COORDINATION AND COMMUNICATION	ADMINISTRATION AND INFORMATION TECHNOLOGY
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 GIUSEPPE LORUBIO Advisor	 SÉBASTIEN DOLIGÉ Advisor	 PAVLA MANDÁTOVÁ Advisor	 HÉLÈNE LAVRAY Advisor	 CHARLOTTE RENAUD Policy Officer	 GAËL GLORIEUX Senior Public Affairs Officer	EVENTS  EMILY O'LEARY Events Coordinator
 PIERRE SCHLOSSER Advisor	 OLGA MIKHAILOVA Advisor	 KOEN NOVENS Advisor	 NICOLA REGA Advisor	 NATHALIE HAESEVOETS Assistant Management Committee & Communication Unit	 HENNING HÄDER Public Affairs Officer (maternity replacement for Gaël Glorieux)	INFORMATION TECHNOLOGY  ROMAIN JOURDAN Advisor
 NIINA HONKASALO Advisor (on secondment)	 ADELÈDE BOODTS Assistant	 SOPHIE TIELEMANS Policy Officer	 BRIGITTE FRANCE Assistant		 JULIA EICHHORST Communication and Press Officer	 MARIE DEBOIS Assistant/Receptionist
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					 EVGENIYA NIKOLOVA Web Designer	

As on 31 December 2012

EURELECTRIC EVENTS IN 2012

Power Statistics & Trends 2011

Lunch Debate

BRUSSELS, 12 JANUARY 2012

Electricity Markets at the Crossroads: Which Market Design for the Future?

EURELECTRIC Conference

BRUSSELS, 19 JANUARY 2012

Energy Roadmap 2050: Empowering Europe!

EURELECTRIC Workshop

BRUSSELS, 27 FEBRUARY 2012

Business Models to Promote Energy Efficiency Services: Lessons learned from the electricity sector

EURELECTRIC Workshop

BRUSSELS, 07 MARCH 2012

Electricity Storage

EURELECTRIC Workshop

BRUSSELS, 25 APRIL 2012

How to Integrate Renewables & Distributed Generation into European Networks?

DSO Conference

BRUSSELS, 03 MAY 2012

EURELECTRIC Annual Convention & Conference 2012

MALTA, 04-05 JUNE 2012

A Sustainable Energy Future for EU Islands

EURELECTRIC Workshop

MALTA, 06 JUNE 2012

Electricity for Sustainable Development: progress and challenges in meeting the 2050 goals

Sustainable Energy Week Event

BRUSSELS, 19 JUNE 2012

Green eMotion – Development of a European Framework for Electro-Mobility

Sustainable Energy Week Event

BRUSSELS, 19 JUNE 2012

Blueprint for Europe's Waters: the Role of the Power Sector

EURELECTRIC Workshop

BRUSSELS, 20 SEPTEMBER 2012

The Important Role of DSOs in Smart Grids: Technical/Regulatory Issues & the Role of RD&D

Joint EURELECTRIC DSO/EDSO Smart Grids Conference

FRANKFURT-AM-MAIN, 21 SEPTEMBER 2012

EU Islands: Towards A Sustainable Energy Future

EURELECTRIC Workshop

BRUSSELS, 03 OCTOBER 2012

The Future of the EU ETS

EURELECTRIC Conference

BRUSSELS, 05 OCTOBER 2012

Integrating EU and CIS Power Systems and Markets – A Way to Increase Security of Supply

Joint EURELECTRIC/CIS Electric Power Council Conference

BRUSSELS, 31 OCTOBER 2012

Business as usual? Nuclear energy after the stress tests

EURELECTRIC Workshop

BRUSSELS, 20 NOVEMBER 2012

Safeguarding Europe's Energy Future: How to Power Investments in the Liberalised Market?

EURELECTRIC Conference

BRUSSELS, 06 DECEMBER 2012

Is the European roll-out of smart meters on track? And what is the approach taken to handle privacy and security?

Joint EURELECTRIC-ESMIG Workshop

BRUSSELS, 06 DECEMBER 2012

Power Statistics and Trends 2012

Lunch Debate

BRUSSELS, 10 DECEMBER 2012

EURELECTRIC PUBLICATIONS 2012 - SELECTION

POLICY PAPERS AND REPORTS

The Role of DSOs in Smart Grids and Energy Efficiency – [JANUARY](#)

Taxes and Levies on Electricity in 2010 – [FEBRUARY](#)

Risk Analysis and Recommendations on EURELECTRIC's Power Choices Study – Credit and Counterparty Risk – [FEBRUARY](#)

The Smartness Barometer: How to Quantify Smart Grid Projects and Interpret Results – [MARCH](#)

Position Paper on Alternative Dispute Resolution – [MARCH](#)

Facilitating e-mobility: EURELECTRIC Views on Charging Infrastructure – [MARCH](#)

Gas Strategy Paper – [MARCH](#)

Seven Recommendations for Successfully Developing European Network Codes – [MARCH](#)

Europe Needs Hydro Pumped Storage: Five Recommendations – [MAY](#)

Energy Wisdom Programme Report (Edition 2012-2013) – [MAY](#)

The Financial Situation & Investment Climate of the Electricity Industry – Economic and Financial Update – [MAY](#)

EU Islands: Towards a Sustainable Energy Future – [JUNE](#)

Fiscal Flash Electricity 2012: Developments in Tax Policies Relevant to the European Electricity Industry in 2012 – [JUNE](#)

Environment & Sustainable Development Report – Edition 2012 – [JUNE](#)

Addendum to the EURELECTRIC Position Paper towards Market Integration of Reserves & Balancing Markets – [JUNE](#)

Decentralised Storage: Impact on Future Distribution Grids – [JULY](#)

Taxes and Levies on Electricity in 2011 – [SEPTEMBER](#)

EURELECTRIC Views and Recommendations on Voltage Quality Monitoring – [SEPTEMBER](#)

Position Paper on Network Codes for System Operation – [SEPTEMBER](#)

Blueprint to Safeguard Europe's Waters – Key Messages – [SEPTEMBER](#)

EURELECTRIC – CIS EPC Joint Report: Key differences in electricity trade market rules and obstacles to trade between the EU and Russia/Belarus – [OCTOBER](#)

Powering Investments: Challenges for the Liberalised Electricity Sector – [DECEMBER](#)

Power Statistics & Trends 2012 – Synopsis – [DECEMBER](#)

Power Statistics & Trends 2012 – Full Report – [DECEMBER](#)

Now or never? The urgent need for CCS demonstration – A EURELECTRIC Recommendations paper – [DECEMBER](#)

RESPONSE PAPERS

CEER Consultation on the Implications of non-harmonised Renewables Support Schemes – a EURELECTRIC Response Paper – [JANUARY](#)

EURELECTRIC Response to the CEER draft advice on Price Comparison Tools – [JANUARY](#)

EURELECTRIC response paper to European Commission "Proposal for a Regulation on guidelines for trans-European energy infrastructure and repealing Decision no 1364/2006/EC – [JANUARY](#)

European Commission's Public Consultation on the Renewable Energy Strategy – a EURELECTRIC Response Paper – [FEBRUARY](#)

Deterministic frequency deviations – root causes and proposals for potential solutions – a Joint EURELECTRIC – ENTSO-E response paper – [FEBRUARY](#)

EURELECTRIC Response to European Commission Public consultation on the governance framework for the European Day-ahead market coupling – [FEBRUARY](#)

Energy Roadmap 2050 - A EURELECTRIC Response Paper – [FEBRUARY](#)

EURELECTRIC Response to ENTSO-G Consultation on Capacity Allocation Mechanisms (CAM) Network Code – Stakeholder support process – [FEBRUARY](#)

Horizon 2020 – The Framework Programme for Research and Innovation – a EURELECTRIC Response Paper – [MARCH](#)

EURELECTRIC's response to ESMA discussion paper on draft technical standards for EMIR – [MARCH](#)

EURELECTRIC DSO Response to ENTSO-E Public consultation on Network Code 'Requirements for Generators' – [MARCH](#)

ENTSO-E Ten-Year Network Development Plan 2012 Package – a EURELECTRIC Response Paper – [APRIL](#)

EURELECTRIC response to the EC consultation on the Establishment of the annual priority lists for the development of network codes and guidelines for 2013 and beyond – [APRIL](#)

EURELECTRIC response to the public consultation on the use of spectrum for more efficient energy production and distribution – [APRIL](#)

EURELECTRIC answer to consultation on invasive alien species – [APRIL](#)

EURELECTRIC response to ACER Consultation on the Scope and Main policy options for Framework Guidelines on Harmonised Transmission Tariff Structures – [APRIL](#)

EURELECTRIC Response to the EC public consultation on financing support for energy efficiency in buildings – [MAY](#)

Final EURELECTRIC response to ENTSO-E consultation to DCC – [MAY](#)

EURELECTRIC's response to ACER's Public Consultation Paper on REMIT Registration Format – [MAY](#)

EURELECTRIC Response to ACER Draft Framework Guidelines on Interoperability and Data Exchange Rules for European Gas Transmission Networks – [MAY](#)

EURELECTRIC response to the Commission Consultation on revision of the European Waste List (EWL) – Hazardous properties – [MAY](#)

EURELECTRIC Response to ENTSO-E Public Consultation on the Network Code for Capacity Allocation and Congestion Management – [MAY](#)

EURELECTRIC Response to ENTSG Consultation on Draft Code on Balancing – [JUNE](#)

EURELECTRIC response to EU Proposals of 20/3/2012 on implementing Directive 2009/125/EC with regard to small distribution and power transformers – [JUNE](#)

ACER public consultation on draft Framework Guidelines on Electricity Balancing – a EURELECTRIC Response Paper – [JUNE](#)

The European Commission's Renewable Energy Communication – a EURELECTRIC Response Paper – [JULY](#)

EURELECTRIC's response to ACER Recommendations to the Commission as regards the records of wholesale energy market transactions, including orders to trade, and as regards the implementing acts according to Article 8 of Regulation (EU) No 1227/2011 – [JULY](#)

EURELECTRIC response to CEER discussion paper on a 2020 vision for Europe's energy customers – [JULY](#)

EURELECTRIC's Response to the ESMA consultation paper on Draft Technical Standards for the Regulation on OTC Derivatives, CCPs and Trade Repositories (EMIR) (25 June 2012 – ESMA/2012/379) – [AUGUST](#)

EURELECTRIC comments to public consultation on the preparation of the EU adaptation strategy – [AUGUST](#)

Response to the Public Consultation on the ENTSO-E Draft Demand Connection Code – [SEPTEMBER](#)

EURELECTRIC response to CEER consultation on Market-based investment procedures for gas infrastructure – [SEPTEMBER](#)

EURELECTRIC response to AESAG input to the Governance Guidelines – [SEPTEMBER](#)

EURELECTRIC comments on ACER Discussion Paper on the disclosure of inside information according to Art. 4(1) of REMIT through platforms – [SEPTEMBER](#)

EURELECTRIC response to ACER Consultation on Forward Risk-Hedging Products and Harmonisation of Long-Term

Capacity Allocation Rules – [OCTOBER](#)

EURELECTRIC's Final response to DG COMP public consultation on the Community Guidelines on State aid for environmental protection and environmental support measures in the General Block Exemption Regulation – [OCTOBER](#)

EURELECTRIC Response to Commission Consultation on the review of the auction time profile for the EU Emissions Trading System – [OCTOBER](#)

EURELECTRIC comments to the proposed work programme for the exchange of information under Article 13(3)(b) of the Industrial Emissions Directive (IED) – [OCTOBER](#)

EURELECTRIC Comments on ENTSO-E final Network Code on Capacity Allocation and Congestion Management – [OCTOBER](#)

EURELECTRIC Response to ACER Draft Framework Guidelines on rules regarding harmonised transmission tariff structures for gas – [NOVEMBER](#)

EURELECTRIC Response Paper to ENTSO-E Draft Network Code for Operational Security – [NOVEMBER](#)

EURELECTRIC Response to ACER position paper for consultation: Exploring the feasibility of implicit allocation in the (North West) European gas market – [NOVEMBER](#)

EURELECTRIC's Comments on ESMA Final Report on draft technical standards under the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives, CCPs and Trade Repositories (EMIR) – [NOVEMBER](#)

EURELECTRIC comments on EC Working Document of 11/10/2012 on a Commission Regulation implementing Directive 2009/125/EC with regard to small, medium and large distribution and power transformers – [NOVEMBER](#)

EURELECTRIC comments on AMEC's reporting on the options to control emissions from Small Combustion Plants (SCP) – [DECEMBER](#)

EURELECTRIC's response to the EC stakeholder consultation on the implementation of a data and transaction reporting framework for wholesale energy markets – [DECEMBER](#)

EURELECTRIC in Brief

EURELECTRIC represents the common interests of the electricity industry at pan-European level. Our current members represent the electricity industry in over 30 European countries, including all EU member states. We also have affiliates and associates on several other continents.

Our well-defined structure of expertise ensures that input to our policy positions, statements and in-depth reports comes from several hundred active experts working for power generators, supply companies or distribution network operators (DSOs).

We have a permanent secretariat based in Brussels, which is responsible for the overall organisation and coordination of EURELECTRIC's activities.

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

- **ECONOMIC DEVELOPMENT**
Growth, added-value, efficiency
- **ENVIRONMENTAL LEADERSHIP**
Commitment, innovation, pro-activeness
- **SOCIAL RESPONSIBILITY**
Transparency, ethics, accountability

EURELECTRIC output in numbers

In **2012** EURELECTRIC published **85** papers and reports, including responses to **27** public consultations. We also published **46** press releases and **14** blog posts. We organised **17** events in **3** countries, which brought together a total of over **2,000** people. We were cited **205** times in English language media and quoted in at least **11** other European languages. We had **703** followers on Twitter and had posted **749** tweets. Finally, our **18** policy experts in Brussels wrote **212** 'daily news' bulletins, communicating relevant EU news to our **2,449** subscribers around the globe.



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