

Bologna, 3 June 2013

NEW EURELECTRIC PRESIDENT CALLS FOR A SUSTAINABLE BUSINESS ENVIRONMENT

New EURELECTRIC President Johannes Teyssen (CEO of E.ON) has called on European policymakers to create a sustainable business environment that allows the European electricity sector to power economic growth. The call came at a press conference during EURELECTRIC's two-day Annual Convention, which started in Bologna today.

"The power sector is the backbone of the European economy. A competitive electricity industry provides the basis for economic growth. But today, markets are being side-lined – and customers are being asked to foot the bill. Policymakers must realise that their political interventionism comes at a cost," Mr Teyssen said.

Mr Teyssen used his first public speaking opportunity as EURELECTRIC President to paint an alternative picture of the European energy system: one based on market instruments and competition, within a consistent and stable regulatory framework.

Such a system should feature: efficient European markets without unnecessary political intervention; market integration, in particular the completion of the EU's Internal Energy Market; fair competition between different technologies; a meaningful price signal for (low-carbon) investment, building on a strong EU Emissions Trading System (ETS); full integration of decentralised generation, energy efficiency and demand side management; and a framework that fosters innovation.

"Taken together, these steps will remove the regulatory uncertainty that is currently affecting European companies and that is a key reason for devaluation and stranded assets. They will increase our sector's investability and competitiveness, foster economic growth, and bring down costs for European businesses and households. But policymakers must act now. EURELECTRIC's recent 'Power Choices Reloaded' study shows that indecision today results in higher costs tomorrow: deviating from the optimal path will cost Europe 3.9 trillion euros by 2050, or nearly 8,000 euros per citizen," Mr Teyssen concluded.

His remarks came at a press conference bringing together Fulvio Conti, CEO of Enel and outgoing EURELECTRIC President, as well as newly elected EURELECTRIC Vice Presidents António Luís Guerra Nunes Mexia (CEO of Energias de Portugal - EDP) and Henri Proglio (CEO of EDF).

"Throughout my two-year term as EURELECTRIC President, the investability of the European power sector has been the major concern, and will continue to be, as my successor, Mr Teyssen, takes over today. Market integration and policies that deliver the opportunities for power sector innovation are vital to get the necessary investments back on track. I wish the new presidential team the best of success in tackling these issues, and I will continue to support EURELECTRIC in my role as CEO of Enel," Mr Conti stated.

Note to Editors: EURELECTRIC is the sector association representing the interests of the European electricity industry at pan-European level. Its two-day Annual Conference takes place in a different European city each year in June, drawing between 400 and 500 delegates from across Europe. This year's conference in Bologna on 3-4 June discusses "Innovative Investments: Re-Energising Europe". More information is available at www.eurelectric.org/Bologna2013.