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EURELECTRIC CALLS ON COMMISSION TO TAKE IMMEDIATE ACTION TO BOOST ETS 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, EURELECTRIC President Fulvio Conti (CEO of Enel) warned at the EURELECTRIC Annual Conference today. *“Faced with conflicting policy tools on renewables, decarbonisation and energy efficiency, financial markets are reluctant to provide the necessary capital to secure Europe’s low-carbon energy future. The EU needs to integrate these instruments into one coherent structure: the EU ETS should become the umbrella policy for decarbonisation while also driving energy efficiency and low-carbon investment,”* Mr Conti stressed at a press conference with EU Climate Commissioner Connie Hedegaard, EU Development Commissioner Andris Piebalgs, and the Commission’s Director-General for Energy Philip Lowe.

EURELECTRIC President Fulvio Conti said the electricity sector stood by its commitment to achieve carbon-neutrality by 2050, but was struggling with investors’ lack of confidence and the low carbon price. *“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. Hopefully the Commission’s upcoming initiatives on renewables and market integration will reassure investors that an integrated and efficient EU energy market remains at the heart of the EU’s strategy to achieve a sustainable, competitive, low-carbon economy by 2050,”* he said.

With just days to go before the Commission publishes its views on a post-2020 renewable energy (RES) strategy for Europe, EURELECTRIC Vice-President Johannes Teyssen (CEO of E.On) hoped the strategy would encourage RES producers to enter the market on a par with other generation technologies. *“Renewables such as onshore wind or solar have become central to our power system; they should not be treated in isolation but should compete with other technologies under the same market rules. Policymakers must shift from rigid subsidy schemes to least-distortive and more cost-efficient measures such as R&D support,”* he urged.

In fact, the EU Emissions Trading Scheme (ETS) could trigger low-carbon investment much more cost-effectively than RES subsidies – but the current carbon price was failing to deliver, Dr Teyssen warned. *“The Commission needs to act without further delay to restore confidence in the system and ensure a more effective carbon price,”* he added.

Fulvio Conti and Johannes Teyssen had also stated the views of the European electricity industry during the informal Environment Ministers Council in Horsens, Denmark, in April, saying that the removal of a significant amount of emission certificates would be the correct therapy to adjust the ETS system in view of the 2050 emissions targets.

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 capital each year in June, drawing between 400 and 500 delegates from across Europe. This year’s conference in Malta on 4-5 June discussed “Politics vs. Industry: On the Cliff Edge. Europe’s New Energy Challenges”. More information on the EURELECTRIC Annual Conference is available at www.eurelectric.org/Malta2012.