

DAILY NEWS to Members: 19/03/2009 by Chris Boothby

**COMMITMENT BY ELECTRICITY SECTOR CEOs IS A “FLYING START”
TOWARDS CARBON-NEUTRAL ENERGY SUPPLY, SAYS COMMISSIONER**

“I welcome this commitment by European electricity companies to achieve a carbon-neutral power supply by 2050,” EU Energy Commissioner Andris Piebalgs told the Brussels press on 18 April as he received a Declaration^o signed by 61 electricity Chief Executives, adding: *“this gives us a flying start even before the new legislation” - set out in the recently-finalised EU energy-climate package* - “is in place.”* The press conference followed a session in which CEOs discussed major concerns with the Commissioner.

In order to *“win the battle against climate change”* we need to *“change completely the way we think energy production, consumption and development,”* Andris Piebalgs told the assembled press and electricity sector representatives. Referring to the need for *“fundamental technological shifts, including decarbonising the EU electricity supply,”* which requires *“a coordinated agenda for research and technological development, regulation, investment and infrastructure development,”* he said that the Declaration signed by 61 CEOs representing over 70% of European power generation is a *“clear and important step in the right direction.”*

During the preceding session, conducted under “Chatham House” non-attributability rules, forty electricity Chief Executives debated the basic requirements for delivering a secure, competitive and carbon-neutral power supply and discussed key issues with the Commissioner. Regarding the drive towards a single European market, they stressed the importance of integration of transmission operations and grid development in building regional electricity markets. Looking at the overall “energy equation”, CEOs stressed inter alia the need to keep open all economically-feasible options. As fossil power plants will be needed for the foreseeable future, clean-coal technology will be essential and CCS[^] must be demonstrated rapidly. Public authorities must share the risk with companies on this.

The CEOs underlined that investment choices made by electricity companies in the competitive market must be “business decisions”, not gestures, and therefore the right incentives and a stable framework on which to base decisions must be provided by policymakers. The right incentive framework must also be created for energy-efficiency& and low-carbon choices by customers, and energy issues better explained, they stressed.

Later, at a dinner, representatives of the Czech and Swedish governments set out the agenda of the current and upcoming EU presidency. The Czechs+ are working to conclude the 3rd energy package with the co-legislators at the European Parliament, and towards an international climate agreement in Copenhagen in December. The Swedes will work to promote an “eco-efficient” economy - taking forward proposals to update Directives on *Energy Labelling* of equipment and *Energy Efficiency of Buildings*. “Carbon-independent” road transport - ie electric road vehicles% - is also a key aim of the Swedish government.