



Michael Mainelli, Z/Yen Group

- ◆ Michael Mainelli emphasised the importance of learning curves and stressed the rapid improvements, now and likely in future, of solar, or the unlikely learning in nuclear.
- ◆ He questioned the sense behind carbon capture & sequestration/storage.
- ◆ Michael saw the EU big technical challenge as building an open, competitive market perhaps underpinned by a regional energy storage market function to help make the market work.
- ◆ Finally, he underscored the importance of moving from a distribution grid to a network market grid.

Baroness Scott of Needham Market, House of Lords

- ◆ Baroness Scott focused on what she called an ‘energy trilemma’, and how to balance this. She expressed surprise at the investment gap in energy, and blamed an inadequate policy framework. The Baroness emphasised how lack of confidence in policy direction results in lack of investment.
- ◆ The Baroness reiterated the committee’s recommendation of setting an investment target. She posed the question, ‘Should funding be reserved to CCS, or also focus on other technologies?’

Michael Wilshire, Bloomberg Energy Finance

- ◆ Highlighted the increase in solar investment, which currently amounts to 70% of net new investment.
- ◆ Demonstrated how both solar and wind have become more cost-effective over the years.

Neil Angell and Matt Hinde, DECC

- ◆ Both speakers emphasised the importance of storage, and noted some of the political issues around the debate on the 2030 climate and energy policy framework.
- ◆ They reiterated the need for flexibility, and conveyed the risk of not focusing on cost-effectiveness.
- ◆ They raised the concern that enforcing an EU renewable energy target for 2030 could force countries into higher cost decarbonisation trajectories that aren’t viable for them.
- ◆ They emphasised that the UK government’s view on the EU 2030 climate and energy framework is for a package that is ambitious, cost-effective and flexible.
- ◆ The speakers noted the importance of regional initiatives in the context of EU energy policy and highlighted the Northern European Energy Dialogue, which consists of 13 EU member states and Norway. These countries all are close to the North Sea, Irish Sea, or Baltic Coast. This project creates a dialogue between energy ministers, regulators, investors, academics, and other stakeholders, with a view to informing the political and policy development process on EU energy matters...



They have met twice thus far, discussing the measures that could help to secure much needed investment in energy infrastructure, in particular across borders. In the short term, the group released a statement with a number of conclusions, including the need for the EU to consider infrastructure requirements within the 2030 climate and energy framework.

Discussion

- ◆ There are concerns about the cost of flexibility. Policy-makers need to be wary of pricing mechanisms if they do not take supply into account. Bank regulations may also hinder financing.
- ◆ In some countries renewable energy targets lead to problems, for example Spain and its electricity market. Flexibility is key - each member state should do what is best for them. Some issues remain with renewable energy, for example geography and public acceptability. An example might be offshore wind, which is acceptable to the public, but there are problems with cost and storage. Public acceptability seems to be a major challenge to renewable energy.
- ◆ Adequate storage is needed. Policy should focus on infrastructure; the smart grid structure seems to be the most viable option. Some audience members recommended the storage of subsidised green energy, in order to make it economically viable.
- ◆ There is sense of urgency inherent to the EU energy plan especially if we are to meet the targets set. Some suggested that a decarbonisation target for 2030 would be more meaningful.
- ◆ The floor was told that the government is focusing on increasing sustainability and decreasing carbon. However, this results in an increase in the cost of energy, which is problematic. The public are interested in a stable, affordable supply of energy. Policy-makers must reduce energy prices in order to generate investment.
- ◆ Carbon prices should be linked to parts per million.
- ◆ It was suggested that innovation should apply equally to different energy forms, for example nuclear and CCS energy.
- ◆ Coherence around the different instruments used at EU level is needed if we want to achieve the decarbonisation target. Currently, these instruments tend to overlap and therefore send confusing messages.
- ◆ The Energy Policy community is concerned with how one attracts the level of finance required for transformation. There is a need to fix the price in order to achieve this transformation.



EU Energy Policy 2030: Friend or Foe to Energy Investment?
London, 19 November 2013
Summary of discussion

