

Report from the Secretariat of the Intergroup

**Subgroup “Energy and Industry”
Meeting between Mr Prodi and stakeholders**

**Monday, 16th November (2.30-4.00pm)
EP, Brussels, room ASP 5G 305**

The meeting with Mr Prodi, Chair of the subgroup “Energy and Industry”, enabled stakeholders to present the issues they would like to see addressed under this subgroup in 2010 and during the legislature.

A list of issues based on this preliminary discussion will be shared and discussed with Members of the European Parliament who expressed their interest for the subgroup ‘Energy and Industry’. Then stakeholders will be consulted again. The Bureau of the Intergroup, bringing together the Chair and Vice-Chairs, will decide on the agenda for 2010 in January.

1. State of play of the Intergroup – EBCD & IUCN

The Intergroup “Sustainable Development” was established in 1994. It was renamed in February 2009 as the Intergroup on “Climate Change, Biodiversity and Sustainable Development” to focus on these two critical issues. It aims to provide information, bring knowledge in the European Parliament and build consensus.

The Intergroup is in the process of being renewed. To this end, it has to get the support of at least three political groups. They will vote on the various Intergroups by the end of November. The Conference of Presidents will endorse the decision of political groups on the 10th of December. This is the first time that there are so many proposals of Intergroups. The Intergroup can continue to function and organise events until the formal decision.

2. Presentation by each stakeholder of issues of interest for 2010 and the new legislature

Mr Prodi stressed that the key word is “change”. In this regard, the subgroup “Energy and Industry” and the Intergroup in general will play a critical role in bringing this change. Adaptation and mitigation measures are needed, he said. An important element to be taken into account is the industry acceptability. In addition, he wondered how much knowledge and technology should be transferred to Developing countries so that their right to develop is not jeopardized.

Mr Burghardt (First Solar) underlined the enormous potential of solar energy. Two issues were identified:

- **Large installations. Grids** are needed; and
- **Biodiversity**: how to achieve a good integration and harmonious cohabitation between installations and habitats, birds etc. Development of installations has to be sustainable.

Ms Reijalt (European Hydrogen Association) explained that hydrogen is an **energy storage instrument** and should therefore become an integral part of the EU’s future smart grids to balance intermittent energy sources. The EHA contributes to programs which develop **technologies at local level**. Another issue of interest is the **technologies transfer** from the North to the South.

Ms Despotou (European Photovoltaic Industry Association) pointed out that transforming sun in electricity contributes to the EU target of 20% of renewable energy by 2020. This objective requires working with solar industry. **Securing raw material supply** and **significant grid evolution** were identified as relevant issues. Solar energy **is not competitive yet**. It managed to reduce costs significantly but work still needs to be done. In this regard, recycling is important.

For many years, Michelin has been working for **energy efficiency of tyres** and **new concept of wheels**. These innovative solutions contribute to sustainable mobility, said Mr Ozoux. **Electric cars** are an issue of concern. They are not necessarily the right solution if they use non-green electricity.

Mr Ivens (Foratom) stressed the importance of **making nuclear energy more sustainable**. **Nuclear fuel recycling** is a key element. As we need to have different forms of energy, **grids** have to be flexible. He mentioned the EU low carbon Strategy which addresses three issues:

- **low carbon**: what does it mean?;
- **Electrification**; and
- **Externalities**: impact of all forms of energy and try to quantify their impact.

Ms Vitali (WWF EPO) insisted on the necessity to **use less energy to do more**. The revision of the Energy Efficiency Plan will be a good opportunity to shift to **binding targets**. Building **smart cities** is another issue of interest. How to ensure a coherent framework to put together all initiatives and have a broad approach?, asked Ms Vitali. In addition, WWF is in favour of **smart grids**. Ms Vitali pointed out also that it is essential to ensure an appropriate implementation of the **Directive on the promotion of use of energy from renewable sources** (2009/28/EC), in particular on the sustainability scheme for bio fuels and bio liquids and the possible expansion of sustainability criteria for biomass used in heat and electricity.

Ms Jara (Ecosocial Forum) explained that accessibility to and affordability of energy has social and ecological consequences. Energy is a natural resource and is therefore exhaustible. The implications of the high dependency of the European energy system on fossil energy sources in the face of depleting oil resources and expected significant oil price increase will have significant economic consequences with which we will have to deal with if we do not manage to transform our energy system and reduce our dependency on oil imports.

She advocates **low carbon economy, energy savings and energy efficiency**. There is a need for a transition towards this model: Which political framework conditions are needed?, which measures should be taken?/How the transition could be achieved and implemented (consolidation of conflicting interests)?, How should the responsibilities for the implementation be divided? We should recognise hereby the limitlessness of resources and consider sustainability criteria (environmental, social and economic effects) of renewable energies.

Furthermore, the Ecosocial Forum is in favour of setting **binding energy efficiency targets**. Ecological taxes should be developed whereas subsidies should encourage sustainable economy.

The context of the discussion should be **the climate and energy targets** for one hand, the **supply security** and **the reduction of the dependency on oil imports** for the other hand.

Ms Mink (Tetra Pak) is working on forest based materials with a view to getting materials fully biological. **Recycling** is a key element of Tetra Pak activities. Moreover, there are certification schemes guaranteeing sustainable exploitation of forest. The end of the chain, i.e **consumption**, particularly dairy industry, should be discussed by the subgroup. **Externalities** are also an important issue.

The various proposals made by stakeholders show the potential of this subgroup, said Mr. Prodi. It will be able to give systemic proposals to the problems. He identified several key issues:

- Ability of the grids to optimise the use of renewable resources;
- Hydropower and wind power as predictable sources of electricity;
- Potential of hydrogen and co-generation;

- Evolution of electric transport, which could lead to a cultural change with regard to means of transportation;
- Links between transport modes;
- Smart gas networks;
- Nuclear energy, which is a reality in Europe. More work needs to be done for waste and extension; and
- Mitigation and adaptation measures to climate change for Developing countries.

IUCN pointed out that the agenda is broad enough to include the issue of consumption.

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 Due to other commitments, several organisations apologized for not being able to attend the meeting. Here are their issues of interest:

- European Renewable Energy Council:
 - * **Implementation of renewable Energy Sources Directive – National Action Plans;**
 - * **Smart Energy Cities and smart energy buildings;**
 - * **Going beyond 2020-2030-2050;**
 - * **Renewable Energy Sources and their contribution to domestic climate action;** and
 - * **EU budget adaptation to the climate package.**
- Micropower
 - ***Micro generation: Sustainable energy generation in the built environment**
 - ***Energy efficiency in generation, transmission and end use**
 - ***Improving energy awareness of consumers**
 - ***Incentives to increase micro generation uptake, transferring energy consumers into energy producers: Reduced rate VAT, Tax rebates, Feed-in tariffs, grants etc.**
 - ***EU harmonised installer and product standards for all energy technologies**
 - ***EU Micro generation Strategy: Joined up thinking in policymaking towards increased distributed energy generation for sustainable development**

SUMMARY OF ISSUES IDENTIFIED

- Energy savings/ Energy efficiency/Low carbon economy (overall issues)
- Grids;
- Externalities;
- Installations and biodiversity;
- Hydrogen as an instrument of energy storage;
- Electric cars;
- Technologies transfer;
- Competitiveness of photovoltaic industry;
- Energy security supply/Securing raw materials supply;
- Energy efficiency of tyres and wheels;
- Sustainability of nuclear energy/Nuclear fuel recycling
- Electrification;
- Binding energy efficiency targets;
- Consumption;
- Smart cities and smart cities buildings;
- EU budget adaptation to the climate package;
- The contribution of the Renewable Energy Sources to domestic climate action;
- Implementation of the Directive on the promotion of use of energy from renewable sources;
- Micro generation; and
- Improving energy awareness of consumers

LIST OF PARTICIPANTS

Christopher Burghardt, First Solar
Marieke Reijalt, European Hydrogen Association
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Eleni Despotou, European Photovoltaic Industry Association
Patrick Ozoux, Michelin
Arianna Vitali, WWF EPO
Richard Ivens, Foratom
Taina Jara, Ecosocial Forum
Erika Mink, Tetra Pak
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