

- **CLIMATE CHANGE**
- **ELECTRICITY MARKETS**
- **SUPPLY SECURITY**

A DECLARATION
by European Electricity Sector Chief Executives



WE, THE SIGNATORIES TO THIS DECLARATION,

Recognising that climate change is a serious global environmental, economic and social challenge which requires urgent action; acknowledging that the power sector, as a significant emitter of greenhouse gases (GHGs), needs to achieve a carbon-neutral power supply by the middle of this century;

Convinced that an integrated market, based on clear and harmonised rules, brings about considerable cost efficiencies; **striving** to deliver competitive prices and customer choice;

Believing that energy efficiency is a cornerstone of climate change policy; identifying important synergies between carbon-neutral electricity supply and energy-efficient electric technologies which need to be exploited to the full;

Stressing that as one of the most capital-intensive industries, the electricity sector needs to have access to liquid capital markets in order to perform the necessary investment to ensure security of supply and adapt to environmental targets; **pointing** to the fact that in order to replace ageing plants, develop the grid, face rising demand and meet its environmental targets, our sector needs to invest € 1.8 trillion by 2030¹; **insisting** that this requires a stable, coherent and market-oriented investment framework;

Fully aware that electricity companies have a basic mission to provide a secure power supply; **underlining** that this can be best achieved via a diversified portfolio of power generation plants, decreasing dependency on imported fuels and through integrated electricity markets;

¹ IEA World Energy Outlook, 2008

DECLARATION

by European Electricity Sector Chief Executives on Climate Change, Electricity Markets and Supply Security

WILL:

ACHIEVE a carbon-neutral power supply in Europe by 2050

To this end, we will progressively make use of all available and economically sound low-carbon and carbon-free options when investing in power generation assets, taking into account national energy policies: renewable energies, nuclear power, high-efficiency combined heat & power, and efficient clean fossil technologies including carbon capture & storage (CCS). In addition, we will continue seeking to operate our plants and grids in the most efficient way, while investing to develop innovative low-emitting technologies.

DELIVER power cost-efficiently and reliably through an integrated electricity market

Because a competitive, integrated market is the best way to deliver power at the lowest cost - thereby supporting European growth - we are actively contributing to the establishment of regional system operation and regional regulatory supervision as a step towards an integrated pan-European electricity market. We are determined to offer a competitive and reliable supply of electricity to Europe's citizens.

PROMOTE energy efficiency and electricity use as solutions to mitigate climate change

Our companies are developing innovative ways to inform customers on energy-efficient solutions and to encourage the use of electricity where it contributes to reducing emissions of GHGs. In particular, we will invest or promote investment in the necessary infrastructure to foster the development of electric vehicles, including support for the standardisation necessary for their deployment. We will also encourage energy efficiency for sustainable cities.

ACCORDINGLY, WE CALL UPON EUROPEAN AND NATIONAL POLICY-MAKERS TO HELP US:

Achieve a carbon-neutral power supply by 2050 by:

- ▶ Contributing to the worldwide development of a market-based approach to global GHG mitigation
- ▶ Ensuring that all low-carbon and carbon-free power generation options can be used
- ▶ Increasing support for research, development and demonstration measures especially for highly efficient clean fossil technologies including CCS

Deliver cost-efficiently and reliably through an integrated electricity market by:

- ▶ Ensuring both a sufficiently stable regulatory framework and also access to liquid capital markets in order to foster investment
- ▶ Recognising that market-based electricity prices are the best basis for security of electricity supply
- ▶ Driving forward regional integration of electricity markets, as a step to a fully integrated pan-European market
- ▶ Providing a market-compatible set of rules to fully integrate the electricity produced from renewable energies and the needed balancing/ peak power into the European electricity market
- ▶ Simplifying licensing procedures to enable the development of the electricity generation and transmission infrastructure

Promote energy efficiency and electricity use as solutions to mitigate climate change by:

- ▶ Working with industry to develop the necessary standardisation to enable rapid deployment of electric vehicles
- ▶ Ensuring information and education of the public, developing standards and actively promoting changes in consumer behaviour towards climate-friendly products and services.

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EURELECTRIC IN BRIEF

The Union of the Electricity Industry- EURELECTRIC is the sector association representing the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents.

EURELECTRIC's mission is to contribute to the development and competitiveness of the electricity industry and to promote the role of electricity in the advancement of society.

As a centre of strategic expertise, EURELECTRIC identifies the common interests of its Members and, through research into the marketplace, technologies, legislation, etc, assists them in formulating common solutions to be implemented and in coordinating and carrying out the necessary action. To that end, it also acts in liaison with other international associations and organisations, recognising their specific missions and responsibilities.

Within the European Union, EURELECTRIC represents the electricity industry in public affairs, in particular in relation to the EU legislative institutions in order to promote the interests of its Members at a political level.

EURELECTRIC's Full Member structure is based on national representation, via the national electricity association, where such a body exists, or the leading electricity enterprise in each country. Currently there are 33 Full Members, including all 27 EU Member States, current applicants negotiating to join the Community, plus other European OECD countries.

Membership is enriched by European and International Affiliate Members representing the electricity industry across the rest of Europe, in the Mediterranean basin and on other continents and by Business Associate Members from other sectors with stakeholder links to or interest in the electricity industry.

For further information please contact:

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