

**KARE** | CENTRE FOR RENEWABLE CRES | ENERGY SOURCES AND SAVING

# BULLETIN NO7

1 to 15 April 2010

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## **CLIMATE CHANGE**

# 1. PREPARATION OF THE COP 16 MEETING

12/04/2010 - On the climate front, nothing new happened in Bonn where representatives from the 175 parties to the United Nations Framework Convention on Climate Change (UNFCCC) met last weekend (9-11 April) to resume talks at expert level. This first gathering, four months after the COP 15 and the disappointing Copenhagen Accord, mainly aimed to find ways to integrate the elements of this minimal agreement (which has not been formally adopted but which benefits from the support of 120 countries and 194 parties) in the UN negotiation process and, as the European Union hoped, to establish a roadmap for tangible progress in Cancun, during the COP 16 meeting (29 November-10 December).

The UN head negotiator (Yvo De Boer) acknowledged one should not hope for a global agreement covering all questions at the COP 16 (Cancun). To reach a legally binding international treaty, it will be necessary to wait for the COP 17 in South Africa in 2011. Hence, in his view, it is of interest to focus on concrete measures to help the poorest countries adjust to climate change and act to mitigate the effects. This pragmatic approach is close to that recommended by Connie Hedegaard, European Commissioner for Climate Action, and by the European Council.

15/04/2010 - In a letter to José Manuel Barroso, the French president and the Italian

prime minister together request that, at the summer European Council, the Commission will include a proposal aimed at establishing a border adjustment mechanism in the report that it is to submit to the EU27 on the situation of industrial sectors and subsectors exposed to a significant risk of "carbon leakage". They point out that, under the revised ETS directive (2009/29/EC), these sectors and subsectors may, under certain conditions, be attributed up to 100% of free emissions quotas from 2013 to 2020, whereas installations not exposed to the risk of carbon leakage should partially pay their quotas which are gradually to be auctioned from 2013.

In an interview which appeared in Le Monde on 15 April 2010 Connie

## CALENDAR

#### 11-12 May 2010

Valencia conference on the Mediterranean Solar Plan (are expected representatives of the 43 countries of the Union for the Mediterranean)

#### 16-17 June 2010

European Summit

29 Nov-10 Dec. 2010

Cancun Conference

Hedegaard showed some disagreement with the letter and declared "We must not give our partners the impression that we want to launch a new commercial war".



# 2. PATH TO LOW CARBON ECONOMY

**13/04/2010** - The independent European Climate Foundation (ECF) sent to the Spanish Presidency, European Commissioners Günther Oettinger (Energy) and Connie Hedegaard (Climate) a report entitled, *"Roadmap 2050: A practical guide to a prosperous, low-carbon Europe"*<sup>1</sup>, which examines the feasibility of reducing CO2 emissions by between 80 and 95%, compared with 1990 levels, by 2050, a target set by the European Council in October 2009. Based on technical, economic and policy analyses the 2050 Roadmap sets out the crucial role of a zero-carbon power sector to Europe's long-term climate commitments and shows different pathways that can make this a reality.

The Roadmap examines several decarbonisation scenarios for the power sector and sets out the short-term implications of this long-term commitment. Its analysis concludes that:

-the future **cost of electricity** in a low-carbon generation system is comparable to the future cost of generating electricity by means of the current high-carbon system.

-The only difference is the level of investment required at the start of the cycle. ECF points out, in particular, that decarbonisation of the electricity sector in the EU by 2050 will require investment to be doubled within 15 years. Average investment should be about €52 billion per year until 2050.

-Two member states in particular, France and Spain, will have key roles. The report says that solar and wind power will be the two main sources if renewable energy replacing oil, gas and coal by 2050. Spain will be the EU's main producer of solar energy. Its grid will bring in most of the solar energy generated in North Africa, through Gibraltar. France has a dual role: it will produce a substantial proportion of the EU's wind energy and, given its central location, will be the hub for transmitting electricity produced in Spain and the United Kingdom to the North and East of the EU. The connection between Spain and France, which currently has a capacity of 1 GW, will have to be upgraded to 47 GW by 2050. The connection between France and Germany will have to be increased from 6 to 20 GW, the one between France and the UK from 2 to 12 GW, and the one between France and Central Europe from 3 to 15 GW.

-The 2050 Roadmap also shows that an inter-regional European transmission grid can provide the level of reliability that users expect in all scenarios. It stresses that action before 2015 is a prerequisite for decarbonisation by 2050.

-To this end, immediate policy development and implementation should focus on energy **efficiency measures**, and m**arket reform**.

<sup>&</sup>lt;sup>1</sup> <u>www.roadmap2050.eu</u>



# ENERGY

# 1. ENERGY POLICY

**06/04/2010** – "Notre Europe" published a report<sup>2</sup> developing the Jacques Delors political proposal for relaunching European construction through the setting up of an Energy Community. The document analyses the evolution of energy policy at a Community level throughout European construction and assesses whether political measures will allow for three essential objectives to be met:

-energy access at affordable prices;
-sustainable development of production,
-transport and consumption of energy;
-and security of supply.

According to its authors:

-the creation of a coherent energy regulation area integrated at a European level would require market liberalisation, an appropriate and updated European network, continued diversification of the European energy cluster by further stimulating R&D and new clean technologies and use of renewable.

- calls for the EU to have its own independent financial resources so that it can finance actions of common interest.

29B72B-the EU to speak with a single voice in its relations with third country partners, producer and transit countries.

30B73B- appeal for the pooling of common strategic reserves distributed throughout the European territory in a spirit of solidarity to help member states tackle significant energy crises.

## 2. Security of supply

## a) Russia

**07/04/2010** - EU Energy Commissioner <u>Günther Oettinger</u> went to Moscow for a threeday visit. In a press release, the commissioner explains that cooperation with the Russian government was one of his priorities and that is why Russia is the first non-EU country he was visiting in his post as EU energy commissioner. He said Russia was a strategic partner for the EU and he hoped it would be possible to improve energy relations based on mutual respect. Oettinger will travel on from Russia to Azerbaijan and Turkmenistan the week after to discuss gas cooperation with those countries.

Commissioner Oettinger told Russian press agency Itar-Tass that the EU is planning to pursue the EU-Russia energy dialogue more proactively and to get Russian

<sup>&</sup>lt;sup>2</sup> A detailed version of the report in English is available at: <u>www.notre-europe.eu</u>.



companies like Gazprom better involved in the discussion process and the drawing up of draft decisions. *"Russia will remain the European Union's main energy partner for decades"*, explained Oettinger. He said the EU and Russia were engaged in a single continental gas market and the EU was absolutely prepared to boost cooperation with Russia and Gazprom on energy issues. At their meeting, Oettinger and Sechin agreed to develop new cooperation mechanisms like the early warning system of breakdowns in gas supplies that was set up after the 2007 Samara EU-Russia summit. Sechin said the early warning system worked well and he hoped further mechanisms would be developed.

#### b) Nabucco

**15/04/2010** - Two years after the signing of a memorandum of understanding strengthening energy cooperation between the two, the EU and Turkmenistan have agreed to set up a working group to look at the legal issues surrounding Turkmen involvement in the pan-European Nabucco gas pipeline project.

Background: Turkmenistan, which produces almost 75 billion m3 of gas a year, is planning to triple its level of production and repeated the fact that it is prepared to provide the Nabucco gas pipeline with up to 10 billion m3 of gas a year. The question of transporting gas from Turkmenistan to the future pan-European pipeline will require the construction of new gas interconnections towards Azerbaijan, via the Caspian Sea. This is a difficult task, given the disputes between the two former USSR republics over ownership of gas and oil in the Caspian Sea.

#### c) North Stream

**09/04/2010** - The building work for the 1,223 km North Stream gas pipeline got underway in Portovaya Bay near Saint Petersburg in Russia. North Stream will connect Germany with Russia under the Baltic Sea, running from Greifswald to Vyborg, and when fully operational, some 55 billion cubic metres of gas from Russia will pass through it on its way to the EU. The first section of the pipeline is due to be up and running in May 2011 and the second section in 2012. The project is estimated to cost some €7.4 billion in total and is highly controversial. The pipeline is being built by Russian gas company Gazprom (51%), German electricity companies Wintershall (20%) and RWE (20%) and Dutch gas company Gasunie (9%). North Stream is not receiving any financial aid from the EU.

## 3. RES

**07/04/2010** - EuropeAid has published a call for tender on paving the way for Mediterranean solar energy with a budget of  $\in$ 5 million. Details can be found under the heading *"EuropeAid/129020/C/SER/MULTI"*.



## 4. NUCLEAR

13/04/2010 - Nuclear Summit in Washington<sup>3</sup>: EU calls for international effort involving all countries to combat nuclear terrorism threat. Herman Van Rompuy, the permanent president of the European Council, said it would "not only strengthen global nuclear security, but would also contribute to reinforcing the international nuclear non-proliferation regime". The "most serious threat" weighing upon international security is "nuclear terrorism", with terrorists gaining access to nuclear materials or to radioactive sources. A collective effort by all countries was needed to combat this threat and to safeguard international security. "None of our countries, even the most powerful ones, can achieve peace and security alone".

Van Rompuy pointed out that the European Security Strategy adopted in 2003 had already identified terrorism and the proliferation of weapons of mass destruction as the greatest threats for international security. The 2003 EU strategy against the proliferation of weapons of mass destruction and the 2005 strategy for combating terrorism both aim to prevent acts of nuclear terrorism.

With its major nuclear industry, the EU also has a "particular interest" in ensuring that nuclear energy is used for peaceful purposes according to the highest safety and security standards, and in line with non-proliferation, the European Council president said. The EU supports the essential role played by the IAEA in promoting nuclear security. With over €30 million, the EU27 are, moreover, the main financial contributors to the IAEA Nuclear Security Fund.

## MISCELLANEOUS

#### Main acts published in Official Journal of EU

12 April 2010 - C092: Commission communication in the framework of the implementation of Commission Regulation (EC) No 245/2009 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for fluorescent lamps without integrated ballast, for high intensity discharge lamps, and for ballasts and luminaires able to operate such lamps, and repealing Directive 2000/55/EC of the European Parliament and of the Council

14 April 2010 - C94 : Commission Opinion of 13 April 2010 relating to the plan for the disposal of radioactive waste arising from Quotient Bioresearch (Radiochemicals) Ltd at Trident Park in Cardiff in the United Kingdom, in accordance with Article 37 of the Euratom Treaty. The Commission considers during implementation of this project, under normal operating conditions or in event of accident, "the discharges of gaseous and liquid radioactive effluents will not cause an exposure liable to affect the health of the population in another Member State".

15 April 2010 - C095 : Commission Opinion of 14 April 2010 relating to the modified plan for the disposal of radioactive waste arising from Building 443.26 operated by

<sup>&</sup>lt;sup>3</sup> The summit was attended by the leaders or ministers of 11 of the 27 EU member states (France, Germany, United Kingdom, Italy, Spain, Sweden, Belgium, Finland, Netherlands, Czech Republic and Poland).



General Electric Healthcare Ltd (formerly Amersham plc) at the Harwell International Business Centre in the United Kingdom, in accordance with Article 37 of the Euratom Treaty

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