

Dear members, dear friends,

Please find below the seventh edition of the AER Newsletter on Energy. The beginning of 2007 has been particularly fruitful with the presentation of the EC Energy package which raised many comments. No doubt that it will still have many repercussions. About the AER, please notice that the Committee 1 plenary meeting, including the Energy Working group will take place pretty soon (21-23 March), you still have a few days to register.

If you have any comment or if you wish to know more about our activities in the field of energy, don't hesitate to contact us.
We wish you a very good reading!

The AER Committee 1 "Economy and Regional development" Secretariat
Contact person: Estelle Delangle, e.delangle@a-e-r.org tel: +33 (0)3 88 22 74 38

NEWSLETTER

AER NEWS ON ENERGY

- International symposium "Decentralised Energy Systems – Integrating Renewable Energy Technologies in Tomorrow's Energy supply"
- World Sustainable Energy Days, Wels (Upper-Austria), 28 Feb. – 2nd March 2007
- Energaïa, The International fair of renewable energies
- Next AER Working Group

NEWS ON ENERGY – RECENT EUROPEAN DEVELOPMENT AND TRENDS

- The EC proposes an Energy package
- Unbundling
- Reactions of the different Councils
- The EU set CO2 emissions cap for cars
- MEPs call for action to soften economic impact of rising energy prices
- MEPs said that the greenhouse gas cuts proposed by the EC are too low
- New composition of EP committees
- EU-Russia talks about energy supply
- Public consultation on the "Preparation of a Green Paper on Urban Transport"
- Sustainable energy week
- A panel of experts gathered in Davos seeks solutions to solve Global Warming
- "The new EU Energy policy: balancing the internal market and external security of supply"
- Reegle: a "renewables google"

INTERESTING CONFERENCES / SEMINARS / EVENTS

- Energy essential for life: dialogue on energy poverty
- Seminar: The Opening-up of European Energy Markets
- Wood heating exhibition
- Conference on Sustainable Regions and Municipalities
- Combined heat & power (CHP) and district heating & cooling (DHC): building our future (Euroheat bi-annual Congress)

PUBLICATIONS & RESEARCH PROJECTS ON ENERGY

- “Energy Community: creating the power and confidence to rebuild” by DG Energy and Transport
 - “Energy (R)evolution: a sustainable world energy outlook” by EREC
 - “Transport and Environment: on the way to a new common transport policy” by the European Environment Agency
 - “Renewables in district heating and cooling” by Euroheat
-

AER NEWS ON ENERGY

- International symposium “Decentralised Energy Systems _ Integrating Renewable Energy Technologies in Tomorrow’s Energy supply”, Oldenburg (DE), 15-16 February 2007

This symposium addressed current state-of-the-art renewable energy technologies and their contribution to a future energy supply system. It gathered scientists and engineers with stakeholders from politics and industry on a European level. They promoted a successful mutual exchange on the European perspective of decentralised energy systems.

Further information on www.forwind.de/des

- World Sustainable Energy Days, Wels (Upper-Austria), 28 Feb. – 2nd March 2007

For the second year in a row, the AER Committee 1 was a partner to the World Sustainable Energy Days, organised by Energiesparverband, the Regional Energy Agency in Upper-Austria. This event gathered over 1000 participants from 61 countries and focused this year on pellet technologies, RES in rural areas as a tool for economic growth and energy efficiency. For more information, please refer to the AER website:

<http://www.a-e-r.org/main-issues/environment-sustainable-energy.html>

- Energaïa, The International fair of renewable energies (F), Montpellier, 6-8 December 2007

This fair aims at gathering professionals and members of different levels of government to present innovations and find solutions to energy issues. It will deal with subjects such as how regions can support renewable energies development or how energy efficiency and renewable energies can be an asset for regions. Representatives from both parts of the Mediterranean Sea and from China will be present to develop partnerships. The AER co-organised this event and will hold a conference on energy efficiency during this fair.

We are presently looking for possible speakers. If you wish to contribute to this event or to know more about our activities in the field of energy, do not hesitate to contact us or to attend our next working group (see below)! More information on the AER website.

- Next AER Working Group on Energy, Amaro (I), 21 March 2007

Our next working group will take place during our plenary meeting in Amaro (21-23 March). During this event we will come back on the last events of the AER and then bring forward interregional cooperation projects on energy: proposal for a conference on geothermy, proposal for a project on wood fuel for heating, fostering the development of fuel cells in the Regions of Europe: intervention and proposals for cooperation.

More information and registration before the 9 March on the AER website www.a-e-r.org (be careful these are the Intranet webpages, you need to log in)

NEWS ON ENERGY

- **The EC proposes an Energy package, 10 January 2007**

In this declaration the EC, conscious of the environmental challenges, calls for a new and central Energy policy to limit Global Climate Change to 2°C. The main targets are cutting greenhouse gas emissions (at least by 20% by 2020) and reducing the EU dependency to major oil and gas producers. The EC also proposes concrete measures such as completing the internal energy market, reaching some energy targets (improving the EU energy efficiency by 20%, binding target for renewable energy of 20% by 2020, increasing by at least 50% annual spending on low-carbon energy research for the next seven years, using at least 10% of biofuels by 2020).

- **Unbundling**

The completion of an internal market, asked for by the EC in the package above, presupposes the unbundling of energy firms. In a speech of the 5th of February, Nelly Kroes (Commissioner for Competition) reminded that full “ownership unbundling” would avoid that big firms impede access to the network to new competitors in order to protect their own market share. Such a behaviour from firms hold back investments in renewable energies that Europe needs for security of supply and reaching Kyoto’s targets. But many critics arise against the unbundling policy especially from Germany and France who argue that large group and especially national ones are in a stronger position to deal with supply countries and to guarantee lower prices.

- **Reactions of the different Councils**

EU economy ministers, during the Council in the 15th of February, did not back EC calls for binding targets on renewable energy and biofuels. More than 10 member States led by Sweden and Denmark were keen to sign up a binding target of 20% but the others refused, afraid that such a decision generate important industrial reforms. Economy ministers also talked about “unbundling” and they endorsed the general principle of “effective separation of supply and production activities”.

Energy ministers declared that the Council “supports ambitious overall EU targets for reducing greenhouse gas emissions for 2020” but that this should be done “taking into account national circumstances”. Consequently they adopted a non-binding target of 20% for renewable energies and a 10% binding minimum target for the share of biofuels. In addition, they called for a “rapid implementation” of the energy-efficiency action plan. About liberalisation now, the Council had to face French and German opposition to unbundling. Finally it invited the Commission to ensure “effective separation of supply and production activities from network operations” and “guarantee equal and open access to transport infrastructures” to new energy suppliers.

Environment ministers for their part, talked about Kyoto protocol targets. They agreed on a 30% international reduction by 2020 and confirmed the EU-wide commitment to at least cut 20% if an international agreement on 30% failed. However the burden should now be shared between member states which is not an easy task. In addition, most of the post-communist states asked for another basis than 1990 since their polluting emission levels were particularly low that year due to the collapse of communist industry.

The economy, energy and environment ministers’ ideas will underpin energy talks during the European Council in March and form part of the EU’s final energy action plan in June. The

Spring Council may bring a surprise as some newspapers (i.e the Financial Times) announce that the United Kingdom and France may agree a 20% binding target on renewable energy.

- **The EU sets CO2 emissions cap for cars**

After weeks of struggle between commissioners Guenter Verheugen (industry) and Stavros Dimas (environment), the EC announced on the 7th of February a mandatory CO2 emissions cap of 130 grammes/km for new cars by 2012. An earlier proposal by Mr Dimas set 120 grammes/km and the remaining 10 grammes are now supposed to be reached by other kind of measures which don't affect car-makers. Car emissions currently lie at around 160 grammes/km. The law is supposed to be ready in 2008 at the latest.

- **MEPs call for action to soften economic impact of rising energy prices**

The Parliament adopted a report by Manuel Antonio dos Santos, on the 15th of February to highlight risks of rising energy prices. To solve this problem, MEPs asked for increasing the energy efficiency, reducing EU dependency to imported energy, a massive investment in energy infrastructure, a progressive phasing out of fossil fuels in the transport sector, and the completion of the EU's internal market in the field of energy to avoid that big firms impose high prices. MEPs recommend for the EU to have an energy stock of oil and gas that in an emergency could keep the economy running for 120 and 90 days respectively.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2007-0001+0+DOC+XML+V0//EN&language=EN>

- **MEPs said that the greenhouse gas cuts proposed by the EC are too low**

On the 14th of February, MEPs adopted with a clear majority (616 for, 25 against, 30 abstentions) a resolution which "stresses the urgency of taking concrete actions at global level to tackle climate change". They want a tougher target on cutting greenhouse gas emissions that is to say 30% by 2020 instead of the 20% proposed by the Commission. MEPs even want that the EU aim for an 80% reduction target by 2050.

http://www.europarl.europa.eu/news/expert/infopress_page/064-3021-043-02-07-911-20070208IPR02902-12-02-2007-2007-false/default_en.htm

- **New composition of EP committees**

After the election of a new President, Hans-Gert Poettering, on 16 January 2007, new Committees and Vice-presidents have also been elected. The "Industry, research and energy" Committee is now composed as follows:

Chair : Angelika Niebler (EPP-ED, DE)

1st vice-chair : Miloslav Ransdorf (GUE/NGL, CZ), 2nd vice-chair : Silvia Ciornei (ALDE, RO), 3rd vice-chair : Renato Brunetta (EPP-ED, IT), 4th vice-chair : Catherine Trautmann (PES, FR)

- **EU-Russia talks about energy supply**

At the beginning of January, Moscow suddenly cut off oil supplies to Europe due to a conflict over prices with transit state, Belarus. The EU, worried about any new disruption encourages Belarus and Russia to find a compromise and thinks about diversifying its energy supplies. Russia prefers speeding up a new pipeline which will link it directly to Germany and reduce its dependence on transit states. However; Poland which, is one of them disagrees and denounces this powerplay between Germany and Russia which doesn't take into account other EU member states. The EU seeks to include rules on energy trading into a renewed EU-Russia partnership and co-operation agreement (PCA), in order to secure its energy supplies but it should face Poland and Lithuania opposition.

- **Public consultation on the "Preparation of a Green Paper on Urban Transport"**

The EC has launched a public consultation on Urban Transport to prepare the Green Paper on Urban Transport which will be published in the second half of 2007. This consultation is intended to collect views from interested parties on how best the EU may contribute to improving transport and mobility in urban areas.

Fill in the questionnaire before the 30 April on:

http://ec.europa.eu/transport/clean/green_paper_urban_transport/public_consultation_en.htm

- **Sustainable energy week, 29 January - 2 February 2007**

This aim of this week was to raise awareness about energy problems and to try to find solutions by gathering members of different levels of government and various stakeholders. It dealt with different kind of issues such as private-public partnership, finances or how creating local solutions to global warming.

The Sustainable energy week aims at becoming a key annual reference point for sustainable energy issues in Europe.

- **A panel of experts gathered in Davos seeks solutions to solve Global Warming**

For this panel, there are no miracle solutions but simple measures implemented at global level could easily be introduced and greatly benefit the planet. Atmospheric CO₂ has never been higher than today and a study carried out by economist Nicholas Sterns states that the cost of action is inferior to 1% of GDP if we act now but it will be between 5 and 20% if measures are taken later. Experts advocate solutions such as a clear price for Carbons, the acceleration of technological development or changing power grids.

- **"The new EU Energy policy: balancing the internal market and external security of supply" Policy dialogue, 29 January 2007**

This dialogue was organised by the European Policy Centre jointly with the Clingendael International Energy Programme to debate on the EC's new energy package. After a description of the package, speakers, who are all specialists in different energy fields, tackled with major energy issues such as security of supply, Market liberalisation or energy efficiency. In conclusion, they highlight the fact that Europe should speak with external energy suppliers with "one voice".

You can read the full report of the dialogue on:

<http://www.theepc.be/en/er.asp?TYP=ER&LV=293&see=y&t=2&PG=ER/EN/detail&l=&AI=673>

- **Reegle: a "renewables google"**

Reegle was born one year ago when the government of Germany, the Netherlands and the United Kingdom decided that access to quality information was a key barrier to increase uptake of renewables. This project was implemented by the Renewable Energy Policy Network for the 21st Cty and the Renewable Energy and Energy Efficiency Partnership and it will be soon available. Reegle will allow users to search pre-selected databases to access relevant information providers. According to its designers such a project can reduce the risk linked with investments in the field of renewable energy by providing a good access to information.

INTERESTING CONFERENCES / SEMINARS / EVENTS

- **Energy essential for life: dialogue on energy poverty, Brussels, 8 March 2007**

This conference is organised by the Women Energy Club. This conference will gather relevant stakeholders as well as MEPs and members of the EC.

<http://www.euractiv.com/docad/WECProgramme.pdf>

- **The Opening-up of European Energy Markets, Brussels, 26-27 March 2007**

This seminar, organized by the Academy of European Law, aims at conducting a structured dialogue on the recent actions undertaken by the Commission especially on the completion of an internal energy market. It will also systemically address the regulatory package in force covering liberalisation of energy markets, energy efficiency issues, security of supply, cross-border trade and renewables.

More information and registration on:

<http://www.era.int/energy>

- **Wood heating exhibition, Orléans (F), 19-22 April 2007**

This exhibition is for both professionals and general public. In addition to the fair, conferences will be organised. They will deal with subjects like "Local authorities and wood fuels" or "Wood energy at home...a positive action".

More information on:

<http://www.boisenergie.com/sommaire-en.php3>

- **Sustainable Regions and Municipalities, Växjö (S), 8-10 May 2007**

Based on the observation that the implementation of EU policies in the field of energy and transport offers great possibilities and opportunities but also difficulties, this conference aims at gathering local and regional representatives to discuss and obtain new ideas on how to work towards sustainable regions and municipalities. Registration no later than 17 April.

More information on:

www.energikontor-so.com

- **Combined heat & power (CHP) and district heating & cooling (DHC): building our future, Copenhagen, 18-19 June 2007**

This is the Euroheat 33. bi-annual Congress. It will gather over 60 high level speakers and includes a major international exhibition. It will deal with issues such as local and global markets, energy vision for 2050, geopolitics and security of supply, heating and cooling in EU Energy policy, pathways to clean, reliable, affordable technology.

More information and registration on:

<http://www.ehpcongress.org/index.php?id=15>

PUBLICATIONS & RESEARCH PROJECTS ON ENERGY

- **"Energy Community: creating the power and confidence to rebuild" by DG Energy and Transport, December 2006**

This brochure explains why and how the EU will bring its neighbouring countries, especially those recovering from the war, into the EU's developing single gas and electricity market. It will improve reliability in their energy supplies and give them technical expertise and assistance. These measures will increase quality of life of citizens from these countries and foster stability in Europe.

http://ec.europa.eu/energy/electricity/south_east/doc/energy_community_en.pdf

- **“Energy (R)evolution: a sustainable world energy outlook” by EREC (European Renewable Energy Council) and Greenpeace, 25 January 2007**

This report states that huge energy efficiency measures in the field of housing and transport can reduce significantly European energy consumption and half of this reduced demand can be supplied by renewables. According to them, nuclear can be phased out and fossil fuels used only for transport. By 2050, 70% of electricity will be produced from renewables and under the EREC/Greenpeace scenario, energy costs can be stabilised.

Read the complete report on:

http://www.energyblueprint.info/fileadmin/media/documents/energy_revolution.pdf

- **“Transport and Environment: on the way to a new common transport policy” by the European Environment Agency, 26 February 2007**

Transport is responsible for 21% of total Greenhouse gas emissions in the EU-15 (excluding maritime navigation and international aviation) and it grew by 20% between 1990 and 2003. This report argues that current measures like the promotion of biofuels are not enough, the EC should implement a new transport policy and act to decrease transport demands. With this in mind, the report denounces State aids. Between €270 and €290€ billion per years are spent in Europe in transport subsidies. Almost half of these aids go towards road transport, one of the least environmentally friendly modes of transport.

You can read this report on:

http://reports.eea.europa.eu/eea_report_2007_1/en

- **“Renewables in district heating and cooling” brochure by Euroheat**

Through concrete examples in different European cities, this brochure illustrates the variety of renewable energy sources used in district heating infrastructures to warm and cool human living spaces.

[http://www.euroheat.org/documents/RenewablesBrochure\(web\).pdf](http://www.euroheat.org/documents/RenewablesBrochure(web).pdf)