POLICY BRIEFING:
ENERGY UNION: WHAT DOES THE CLEAN ENERGY PACKAGE MEAN FOR THE GAS TURBINE COMMUNITY?

Context

In November 2017, the European Commission unveiled the "Clean Energy for all Europeans" package. This group of texts, reports and communications (binding and non-binding) was eagerly expected by the actors of the energy sector as it is opens a new stage towards the completion of the Energy Union. The texts will go through the democratic debate and the adoption process at the European Parliament and the Council. The ambition is tremendous and this is reflected in the extent of this package, embracing the energy system in numerous aspects.

Integrated Market and Renewables: any room for gas?

The first set of proposals to give life to the Energy Union focused on security of supply, especially regarding gas, at a moment when Russian imports to the EU have reached a record-high. This new impetus embraces a wider range of aspects. Firstly, it intends to break barriers for electricity between member states and further integrate markets, so power can circulate smoothly across the continent, where needed. It needs to be watched as there are plans to eventually move towards a similar move for gas market. So far, the EU has been working to reduce hurdles between member states but never to that extent. This proposition for an EU electricity market design could enclose changes for energy storage and solutions implying the use of gas turbine technology (such a power to gas technology, for instance).

The Clean Energy Package also proposes to better integrate an ever-growing share of renewables in the European energy mix, so to reach the targeted share of 27% of RES in the 2030 energy consumption. To do so, the European Commission proposes to increasingly expose renewables to the market conditions, decreasing the priority dispatch that they have enjoyed until now, reducing the support schemes and unify them at EU-scale. Commissioner Cañete underlined that those "rules focus on creating the right conditions for renewables to thrive". Solutions involving gas not only as a back-up but combining gas and RES hence offer a window of opportunity that ETN is precisely trying to harness, with its proposals for the SET-Plan Actions. Heating and Cooling is also identified as a key priority and member states will be asked to increase by 1% per year the share of RES and their heating and cooling systems. This is also a field where the gas turbine technology can provide solutions combining GT and RES to reach the target.

In addition, the package suggests a change regarding capacity mechanisms (power supply put on standby and ready for use as a backup). The vice-president of the Commission Maroš Šefčovič acknowledged that "there are situations where you need them" but they should only be used as a last resort. Environmental standards are proposed with a limit of 550 grams of CO2 per kilowatt hour, pushing the coal-fired plants out and leaving room for gas-fired plants.

The main focus: energy efficiency

The other main field of action of this Clean Energy package is energy efficiency, which the European Commission considers as "an energy source in its own right". It is estimated that any additional 1% energy savings induces a reduction of gas import by 2.6%. The big move would be to adopt a 30% binding target of energy savings by 2030 (it is currently "at least 27%"). The Commission suggests partially reviewing the existing directive, modifying the default Primary Energy Factor (PEF) for electricity [the PEF indicates the ratio of energy consumption to produce final energy. It accounts what is consumed and/or lost in energy transformation, transmission and distribution processes]. The current European PEF is 2.5; it is proposed to lower it to 2. This would have direct consequences on existing pieces of European legislation, such as Eco-design and Energy labelling regulations, and the Energy Performance of Buildings directive. The latter is of interest for ETN, where research topics combining micro gas turbines and solar power have been proposed (see article p2).

European Turbine Network a.i.s.b.l.
Chaussée de Charleroi 146-148, 1060, Brussels, Belgium
Telephone : +32 (0)2 646 15 77 info@etn-gasturbine.eu

ETN will be monitoring the progress of those propositions through the legislative process at the EU level, and it is already actively participating to the Research and Innovation section of the Energy Union. By doing so, it is trying to ensure that the gas turbine technology remains relevant and offers solution for the EU to meet its targets and cuts emissions of greenhouse gases and others. This is why the expertise of ETN members is so prized and any input or contribution is welcome.

The Clean energy Package: what is in it?

This Clean Energy for all Europeans package encloses initiatives on 10 aspects:

1. Electricity market – revision of existing directive and regulations
2. Energy efficiency directive – revision of the directive
3. Energy performance of buildings – revision of the directive
4. Ecodesign – work plan, not binding
5. Renewables & bioenergy sustainability – revision of the directive
6. Governance for the Energy Union, new regulation
7. Energy prices & costs – report, not binding
8. Energy funding – report, not binding
9. Innovation (see also p2 our article about the SET-Plan) – communication, not binding
10. Transport – communication, not binding

Figures

4 non-legislatives documents
8 legislative proposals
9 other reports and initiatives
10 aspects of the energy sector are targeted
30% is one of the striking figures of this package: it is the binding target for energy efficiency finally proposed by the Commission
1200 pages
900.000 jobs could be created thanks to the implementation of this package (according to the European Commission)
Between 9 months (for the very optimistic) to 24 months should be necessary to take the whole package through the whole decision process.

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