



What does the Clean Energy Package mean for the gas turbine community?

Last November, 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 opens a new stage towards the completion of the Energy Union. The Quarterly newsletter proposes an overview of the main proposals and their potential implications for the gas turbine community.



The Energy Union is moving forward and the Clean Energy package intends to take it to another level. This proposal by the European Commission opens the phase where the texts 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 for an eventual 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 require the use of 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 (RES) 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

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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 in their heating and cooling systems. This is also a field where the gas turbine technology can provide solutions in combination with RES.

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. The introduction of environmental standards is proposed with a limit of 550 grams of CO₂ per kilowatt hour, which would end up in 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



Vice-President of the European Commission in charge of the Energy Union Maroš Šefčovič and Commissioner Cañete.

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).

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

8
legislative proposals

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 of documents compose the package

900.000
jobs could be created thanks to the implementation of this package (according to the European Commission)

9 to 24 months
Between 9 months (for the very optimistic) to 24 months should be necessary to take the whole package through the whole decision process.

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. ■



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Brexit: business as usual?



Michel Barnier, EU's chief Brexit negotiator

Theresa May, Prime minister of the UK, has repeatedly confirmed the intention of her cabinet's to complete Brexit and to trigger the Article 50 of the Lisbon Treaty in March 2017, opening the negotiations. Several key aspects remain unclear how-

ever: will the UK stay in or leave the single market? Switzerland, Iceland and Norway have a direct access to the latter without being full EU-members. Will then the UK accept the freedom of movement, enshrined in the rules of this single market? Will the Parliament have to vote on the mandate to trigger the Article 50, and on the outcome of the negotiations? Numerous uncertainties still need to be clarified but ETN has decided, on its side, to adopt a proactive approach to ensure all of its British members that they will be able to keep their full membership. A statement shall be circulated shortly. ■

The EU Strategy for LNG and gas storage

In October, the European Parliament has adopted the EU strategy for liquefied natural gas (LNG) and gas storage, stating that it "must make energy supplies more secure, cut carbon emissions and deliver affordable prices". The plan is for the EU to reduce its dependency on too few suppliers (firstly Russia), especially for Central and Eastern European member-states depending mostly of one single supplier. It also aims to review and increase the use of existing infrastructures and to pursue its effort in trade and diplomacy towards "a rule-based, transparent and well-functioning global gas market". This strategy has however been criticised by some NGOs for allowing more import from fracked gas from the USA. ■

EU Presidency: after Slovakia, Malta

On 1 January 2017, Malta has taken up the Presidency of the Council of the EU, following Slovakia. Every 6 months, a member state takes the Presidency of the Council, which gathers the representatives of the governments of the 28 member-states. The state in charge defines some priorities, on which it wants



to give a special impetus but still working closely with the other EU institutions (Commission and Parliament, mainly). Malta is in charge until 1 July 2017, then handing over to Estonia. The UK was supposed to have its turn, but passed it due to Brexit. More on the website of the Maltese presidency: www.eu2017.mt ■



The EU and Paris Agreement

Following its ratification by the EU, the **Paris Agreement** has come into force on 4 November 2016, a few days ahead of COP22 in Marrakech. The EU is likely to go beyond its 2020 commitments, reaching a 30% reduction of emissions. However, specialists now estimate that the EU will have to enhance its post-2020 efforts to implement its share of the goals set in Paris, while the two largest polluters in the world, namely the USA and China, have undertaken voluntary policy to meet their targets. A study of the International Energy Agency estimates that the EUw could fail at reaching its targets for 2030 in terms of deployment of renewables (at least 27%). This could explain the ambition of the Clean Energy Package. In addition, the IAE estimates that after a 62% growth between 2009 and 2015, the renewable capacity of the EU should only grow by 23% over the 5 next years. Within the EU, leaders will be Germany, France, UK and Poland. Finally, the UK has unveiled a plan to close all coal-fired plants by 2025 and to increase clean investments, for renewables and gas. ■

Maltese Priorities

1. Migration
2. Single Market
3. Security
4. Social inclusion
5. Europe's Neighbourhood
6. Maritime

The Single Market priority encloses one aspect for energy: "Reviewing the Energy Efficiency package aimed at reducing energy consumption in residential buildings and industry through improved energy efficiency".



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