

Energy Transition: A multifaceted Challenge for Europe

2nd Symposium: How to finance the EU energy transition towards a low-carbon economy?

11th June 2014, 9:00 am to 1:00 pm, CCE - Conseil Central de l'Économie, Brussels

Background

2014 will be a critical year for both the EU and its energy policy. Therefore, Egmont – Royal Institute for International Relations and the Development Group will convene a series of **three “EU Energy Symposiums”** followed by a **“High Level Energy Conference”** in Brussels in order to discuss various issues related to the multifaceted challenge of the EU energy transition towards a low-carbon economy.

The intense discussions held during the series of events organised in 2012 and 2013 (expert seminars and high level international conferences) showed that many questions related to the European Energy Transition towards a low-carbon economy **require further in-depth analysis and debate**. Therefore, the four upcoming events will address key issues that are currently at the core of the future **European energy governance**:

- **1st Symposium:** The impact of changing energy patterns on EU competitiveness (30 April 2014)
- **2nd Symposium:** How to finance the EU energy transition towards a low-carbon economy? (11 June 2014)
- **3rd Symposium:** How to foster energy efficiency in the EU? (23, 24 or 25 September 2014)
- **High Level Energy Conference:** Designing the right 2030 EU framework for energy and climate policies (3 December 2014)

This forward thinking project aims at fostering an intense debate at the EU level by bringing together the views of the **EU decision makers with those of the industry and other energy stakeholders active in Europe**.

2nd Symposium: How to finance the energy transition towards a low-carbon economy?

The energy transition requires **major investment** in many areas, including infrastructure for energy production, transportation and distribution, as well as innovation, energy efficiency, security of supply, and environmental protection. In addition to the consequences of the economic crisis, an increasing number of factors both within and beyond the EU affect investment in the EU gas and electricity sectors.

Given the **ongoing revision of EU regulations and instruments, which will inevitably impact investment decisions in the energy sector**, particularly the revision of the EU environmental and energy state aid guidelines, the reform of the EU ETS, the proposal on the 2030 framework for energy and climate policies, the Communication on the Long-Term Financing of the European Economy, the implementation of the list of "projects of common interest" (PCI), and the related EU funding from the Connecting Europe

Facility, it is timely to call for further debate on the main factors that affect investment in the EU energy sector and how to address them.

Therefore, Session 1 will focus on identifying why it is currently difficult to invest both public and private funds in the European energy transition, while session 2 will look at how the necessary investment can be promoted.

Session 1 will address among others the following key questions:

- What investments are needed and what are the most demanding sectors?
- What are the main factors affecting investment in the energy sector?
- Is there a need to revise the incentive regimes?
- Why is gas underplayed as a lower carbon route and backup for renewable energy resources?

Session 2 will address among others the following key questions:

- Where will the money come from (i.e. private actors, public intervention, financial institutions, carbon markets)?
- How and to what extent should energy resources (both low-carbon and fossil fuel) be subsidised? What would be the impact of new capacity remuneration mechanisms on investment?
- What role will carbon pricing play in driving the development of low-carbon technologies?
- What impacts, both positive and negative, can the aforementioned new EU regulations and instruments have on investment in the energy sector?

Main facts

<u>Format</u>	The symposium will be a half-day event followed by a lunch (9:00 am – 2:00 pm) gathering around 50 - 70 participants
<u>When</u>	11 June 2014
<u>Where</u>	CCE - Conseil Central de l'Économie/Central Economic Council, Room 6 20, Avenue d'Auderghem, B-1040 Brussels
<u>Who</u>	Key stakeholders from the European Energy Community and beyond, including: <ul style="list-style-type: none">- European organisations: EU Commission, EU Parliament, Council of Ministers, EIB, EBRD, EESC, CoR, ACER etc.- European energy companies: suppliers, transmission and distribution operators- EU Member states : Permanent Representations in Brussels, Embassies, National Ministries, National Regulatory Authorities, CEER etc.- Energy sector representative organisations: Eurelectric, Eurogas, ENTSO's, EREC, EWEA, etc.- International Organisations: IRENA, IEA, World Bank, etc.- Experts from NGOs, think tanks, private sector (consultants and lobbies), representatives of international financial institutions, specialised media, etc.

General Procedure

The moderator will briefly introduce the topic and the speakers. Each speaker will then make a presentation for no longer than 10-12 minutes. Afterwards, the discussant will comment these presentations and raise the questions he/she might find of interest (around 10-12 minutes). The moderator will then launch the discussion with all participants.

Programme

- 09.00 - 09.15** **Welcome address**
Development Group & Egmont Institute
- 09.15 - 09.30** **Keynote address: “What is the role of finance in the transition towards a low-carbon economy?”**
Juan ALARIO, Associate Director – Energy Department, European Investment Bank
- 09.30 – 11.00** **Session 1: Why is it currently difficult to invest both public and private funds in the European energy transition?**
Speakers:
- Michel MATHEU, Head of EU Strategy in the Public Affairs Division, Electricité de France (EDF)
 - Dr Jayesh PARMAR, Partner - Energy Advisory Services, Baringa Partners
 - Richard FOLLAND, EU Climate Finance Chair, CMIA Climate Markets & Investments Association (tbc)
- Discussant: Mechthild WÖRSDÖRFER, Director, Directorate A - Energy Policy, DG Energy, European Commission
Moderator: Sami ANDOURA, Senior Research Fellow, EGMONT Institute & Notre Europe – Jacques Delors Institute
- 11.00 - 11.15** **Coffee break**
- 11.15 - 12.45** **Session 2: How to promote the necessary investment in the European energy transition?**
Speakers:
- Dr. Dominik THUMFART, Managing Director, Head of Infrastructure & Energy, Capital Markets and Treasury Solutions, Deutsche Bank, London
 - Holger GASSNER, Head of Markets and Political Affairs / CR, RWE Innogy
 - Karim DAHOU, Executive Manager, Directorate for Financial and Enterprise Affairs, OECD
- Discussant: Tudor CONSTANTINESCU, Principal Adviser to the Director-General, DG Energy, European Commission
Moderator: Clémentine d’OULTREMONT, Research Fellow, EGMONT Institute
- 12.45 – 01.00** **Discussion and Concluding remarks**
- 01.00 – 02.00** **Lunch**

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