

## PRESS RELEASE – MORE GRID INVESTMENT AND EMISSIONS TRADING REFORM KEY TO MEET EU CLIMATE GOALS, STATE OF THE UNION SAYS

Energy policymakers and industry experts speaking at the State of the Union Thursday in Florence said large investment in electricity grids, flexible policies on renewable energy investment, and changes to the emissions trading scheme are needed for the EU to achieve its long-term climate change ambitions. The panel addressed challenges and solutions for the EU to meet its ambitious targets to increase energy from renewable sources to 20% and reduce greenhouse gas emissions by 20% by 2020.

Greater investment in the EU grid system is the most efficient way to bring decarbonized energy to the end consumer, said Jos Delbeke, Director General of the Directorate-General on Climate Action at the European Commission. Large grids will, be needed for energy storage, integrating small power generation units such as from small-scale solar and wind, as the way to measure electricity moves from counting kilowatts to a more flexible overall system of generation, distribution, and storage. “We need more investment, especially in grids. Otherwise the growth of renewables will be blocked.

”No grids, no party.” he added.

Another important pathway for reducing greenhouse gas emission in the EU is the European emissions trading scheme, many panelists agreed, although Karsten Neuhoff, Head of the Climate Policy department at DIW Berlin, said the current price per ton of carbon was too low to be credible. To address this problem, the Commission has decided to backload options through conducting auctions, Delbeke said.

To also nudge the EU economy along the low-carbon pathway, the European Parliament is currently discussing a directive to boost energy efficiency 20%, he added. At the same time, panelists broadly agreed that setting an emissions reduction target such as the Kyoto Protocol commitment has been an important nudge for technical and financial support for clean technology in the EU, said Carlo Carraro, coordinator of the Climate Change and Sustainable Development Programme at the University Ca’ Foscari.

In parallel, the EU must revisit the design of the single energy market, now in its third package due for completion in 2014, to redesign energy markets that are compatible with climate change policies, Delbeke said.

Those policies which have been found most effective in reducing energy-related emissions through an analysis of results achieved in the EU from 1990 to 2000 show that substituting gas turbines for steam and shuttering old industrial facilities have the greatest impact, said Simon Blakey, special envoy of Eurogas.

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# THE STATE OF THE UNION

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