COGEN Europe
Cogeneration in Europe
6 October 2015, Madrid
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Agenda

• Update on EU politics
• The European energy project
• Cogeneration and the Energy Union
• To watch out
• Final remarks
About COGEN Europe
Who we are

Structure
• European trade association for the promotion of cogeneration
• COGEN Europe was established in 1993 and is headquartered in Brussels
• The secretariat employs currently 6 people

We have a vision
• Through the promotion of cogeneration, to grow an industry which changes the way Europe provides heat and electricity for a sustainable future

Our approach is
• On behalf of our members we promote the wider use of cogeneration as part of Europe‘s sustainable energy strategy
• For this purpose we participate in the EU legislative process and meet with key actors in the European Commission and European Parliament
• We work closely together with other stakeholders
• We further our visibility through good working relations with Brussels-based and sector media/press (EurActiv, European Voice, COSPP...)
European politics
Since the VIII ANNUAL COGEN SPAIN CONGRESS
New structure of the Commission
Climate action and energy Commissioner

- Miguel Arias Cañete (EPP, Sp)
- Climate action and energy directorate generals to be under the leadership of a single commissioner
Climate action and energy

• The work of Miguel Arias Cañete to be “overseen” by an Energy Union vice president, Maros Sefcovic (S&D Sk)

• Mr Sefcovic has no portofolio …
“Crisis” management as the daily routine for the EU institutions…
“Crisis” management as the daily routine for the EU institutions...
“Crisis” management as the daily routine for the EU institutions…
The European energy project
The European energy project

- As a follow up to Juncker’s political guidelines
- Based on the outcomes of the 2030 climate and energy framework

A European Energy Union will ensure that Europe has secure, affordable and climate-friendly energy. Wiser energy use while fighting climate change is both a spur for new jobs and growth and an investment in Europe’s future.

A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy
The European energy project

→ On 25.02.2015: A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy

→ “A European Energy Union will ensure that Europe has secure, affordable and climate-friendly energy. Wiser energy use while fighting climate change is both a spur for new jobs and growth and an investment in Europe's future.”

→ A project featuring 43 ‘roadmaps’ for legislative initiatives over this Commission term (until 2019)
1st annual address on the State of the Energy Union on 16 Nov.
Cogeneration and the Energy Union
CHP principle delivering 11.7% of Europe’s electricity in 2013

- Significant discrepancies between countries
- Diverse fuel mix at national level but natural gas is the first fuel
- High Efficiency CHP saves minimum 10% Primary Energy
- Relying on EU harmonised definitions/calculations

Of the 113 GWe of cumulative CHP electrical capacity in the European Union (EU), around half is embedded in industry.
Cogeneration principle

CHP generated electricity and share in total electricity production by country in 2013

- CHP electricity generation (left axis)
- Share of CHP in total electricity generation (right axis)

Generated electricity and heat in CHP plants (2005-2013)

- Electricity production (left axis)
- Heat production (left axis)
- CHP share in electricity production (right axis)
Cogeneration plants getting green

CHP fuel mix in the EU-28 (2013)

CHP fuel mix in the EU (2005-2013)

- Natural gas: 45%
- Solid fossil fuels and peat: 21%
- Renewable sources: 18%
- Oil and oil products: 4%
- Other fuels: 12%
Energy Union initiatives

- Secure Supplies
- Internal Energy Market
- Energy efficiency
- GHG Emissions reduction
- Research and innovation in energy
- Consumer at the centre

- EU Network Codes Implementation
- New Deal for energy consumers
- Renewable Energy Self-Consumption Communication
- Integrated Strategic Energy Technology (SET) Plan
- EU ETS reform
- New ESD 2030
- Electricity Market Design Initiative
- RES D Review
- EED Review
- Heating and Cooling Strategy
- EPBD Review
- Energy Labelling Review

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The “summer package” in short

• Released on 15 July, it is comprised of:
  – comprising a Communication on a new energy market design
  – a communication on a new deal for energy consumers,
  – A staff working document “best practices on renewable energy self-consumption”

Beside:
• Legislative proposal for the EU-ETS 2021-2030
• Legislative proposal reviewing the energy labelling framework
A European Heat strategy in the making

– Better understanding of relationship between sectors (electricity-gas-building-transport....) leading to more comprehensive & holistic policies targeting energy services (power, space heating, mobility, process heat, cooling...)

– Connection between Buildings, electricity supply, RES, GHG Cuts policies to be acknowledged and worked on
To watch out
Not just for pure “energy” policy matter

Juncker investment plan

- EFSI (European Fund for Strategic Investments) is now up and running [http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm#whatsnew](http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm#whatsnew)
- €315 billion investment plan for Europe
- EIB already working on projects
- Energy (infrastructure, EE, RES...) is one of the priority area for funding but no earmarking
- By mid-2016: Commission will review progress of the Juncker Plan including at the level of Heads of State and Government
Many significant changes were made compared to the 2008 guidelines. Many national CHP support schemes are still in the drafting or being studied and blocked at COM level. To date, no example of a national CHP scheme being up and running against the EEAG provisions.
Main aim of the EEAG were to clarify and streamline which and how state aid can be granted to CHP sector. However, their starting point is the completion of the internal electricity market. Heat is not adequately dealt with by the EEAG. Heat is the driver for CHP plant operator, not the traded electricity good.
Why EEAG on operating aid are not well suited for CHP?

• State aid rules for *operating aid* granted to CHP plants: very local issue, there is a need to find:
  a) the heat demand,
  b) a site technically suitable to the CHP system and
  c) private actors ready to engage

• Not at all the same approach as RES-E (PV, Wind, hydro...)

COGEN Europe recommendations on operating aid

• Clarification of the way operating aid to cogenerates heat is covered
• Clarification on the scope for small scale CHP plants
• Clarification on the bidding process rules for CHP
Final remarks
Based on Eurostat 2012 data, losses in “power stations” in the EU 28 reached 56%, i.e. without even considering energy wastage occurring in the transport and distribution networks.