

**CEER Response to the  
European Commission consultation on Energy Roadmap 2050  
2 March 2011**

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**Background**

The European Commission will put forward an Energy Roadmap 2050 in the second half of 2011. It will follow the Roadmap for a Low-Carbon Economy by 2050 which will focus on reductions in greenhouse gas emissions across the EU economy, in the context of the European Council's target of an 80-95% reduction in EU greenhouse gas emissions below 1990 levels by 2050.

The Energy Roadmap 2050 will aim at presenting different pathways to reach the objectives of EU energy policy – sustainability, energy security and competitiveness. It will focus on how energy security and competitiveness can be improved throughout the transition to a low-carbon energy system.

To inform its thinking, DG ENER launched an on-line questionnaire on 20 December 2010, with a closing date of 7 March 2011.

CEER is pleased to submit its contribution to the online questionnaire. The CEER responses are summarised in the following pages for reference.

## Advisory opinion – CEER

### IDENTIFICATION:

CEER is the “Council of European Energy Regulators”, formed in March 2000. In 2003 the CEER was formally established as a not-for-profit association under Belgian law and a small secretariat in Brussels was set up. The CEER now has 29 members - the energy regulators from the 27 EU-Member States plus Iceland and Norway.

The overall aim of the Council of European Energy Regulators (CEER) is to facilitate the creation of a single, competitive, efficient and sustainable internal market for gas and electricity in Europe. The CEER acts as a platform for cooperation, information exchange and assistance between national energy regulators and is their interface at European level with the European Commission, in particular the Directorate General Energy (DG ENER), DG Competition and DG for Research. It cooperates with the European Commission and competition authorities in order to ensure consistent application of competition law to the energy industry. CEER also strives to share regulatory experience worldwide through its links with similar associations in America (NARUC) and in Central/Eastern Europe (ERRA) and its membership in the International Energy Regulation Network (IERN). CEER has taken a central role in developing an effective and competitive electricity and gas market in the Energy Community of South East Europe.

### CONSULTATION QUESTIONS:

*1. How can the credibility of work on the transition to a low-carbon energy system in 2050 be ensured? (for example regular updating of projections using energy system models, focus on developments in technologies, level of expertise needed in each sector, ...).*

- Focus on education to accelerate technology development.
- Strengthen public acceptance of infrastructure and generation facilities; e.g. distributed generation and electricity grid infrastructure for renewables.
- Extend the Commission’s long term projections to 2050 on a scenario basis, as context for starting discussions on binding targets for 2030.
- CEER is addressing the roles of regulators in the transition, e.g. regarding renewables and energy efficiency, both directly and via ICER.

It is important to focus on education. Qualified human resources and qualified expertise will be required in each sector to accelerate development in technology and to ensure the transition to a low-carbon energy system by 2050.

Moreover, it is important to strengthen public acceptance of infrastructure and generation facilities; for example regarding the distributed generation units close to end-users and electricity grid infrastructure needed to accommodate new renewable generation.

The long term projections provided by the Commission could usefully be extended to 2050 on a scenario basis. This could provide the context to start discussions on binding targets for 2030.

CEER has established a Sustainable Development Task Force to consider the implications for energy regulation of the transition to a low carbon economy. The Task Force has already addressed the roles of regulators in respect of renewables and energy efficiency and the challenges in integrating wind generation, among other topics. CEER contributes actively to the work of ICER, which in 2010 published a world-wide review of practical regulatory experience relating to energy efficiency and is now working on a review of issues relating to renewables and distributed generation, to be published in 2011.

*2. Looking forward, EU energy policy may be increasingly influenced by developments in global energy supply and demand, international cooperation on climate and initiatives taken outside the EU. Which developments should be considered in the Energy Roadmap 2050? On which do you think a stronger EU line is necessary?*

- further development of an international framework for cooperation on climate
- take-up by other countries of EU model for action on climate change
- further development of international standards, trade and investment frameworks
- global energy efficiency and demand developments
- global nuclear renaissance
- global development of renewable energy
- global development of carbon capture and storage (CCS)
- price developments in global fossil fuel markets
- development of energy resources in neighbouring countries and infrastructures linking them with the EU market
- other:
  - binding energy efficiency laws; better cooperation between countries; harmonise funding programmes

*3. What societal challenges and opportunities do you think are likely in Europe over the next decades as a result of changes in the EU and global energy system? On which ones do you think a stronger EU line is needed?*

- economic and employment gains in some parts of the energy sector, in some parts of the EU, losses in others

- increased importance of access to high-performance energy infrastructures (eg smart meters and grids)
- increased reliance on electricity
- creation of sustainable and publicly acceptable energy sources
- public acceptance of new infrastructures needed for the EU market (eg large storage technologies, pan-European grid)
- increased scope for decentralised power generation and for local, integrated solutions for meeting energy, waste management and other needs of communities
- public acceptance of need for increased energy efficiency
- changed patterns of disruptions in energy supplies, both fossil and electricity
- increases in energy prices and energy poverty
- moving of energy-intensive industry to other parts of the world
- other:
  - awareness of the value of energy; relevant skills; public acceptance of generation; smart grids

*4. The EU's approach to energy policy is founded on regulation and an internal energy market providing competition, innovation, energy efficiency and development of resources including renewables, environmental sustainability, energy security and solidarity, and effective relations with external partners. Which are the main areas which you think might need further policy development at EU level, in a 2050 perspective? Please specify what you think is needed, references to supporting analyses welcome.*

- competition
- carbon pricing
- internalization of other external costs
- RTD, innovation
- energy efficiency
- transport policy
- renewables
- financing
- energy security
- solidarity
- development of infrastructures
- effective relations with external partners
- support for management of transition to affected regions, industries
- other main areas:
  - many of these need development, not just three

5. Which milestones would you see as most useful to specify at this stage for the transition to a low-carbon energy system in Europe? References to supporting analyses welcome.

- National Renewable Energy Action Plans (decided for 2020)

6. What are the most likely key drivers for the future energy mix in the EU?

- global fossil fuel prices, compared to costs of domestic energy resources
- long term security of supply
- public subsidy
- expectations about short-term security of supply
- political decisions by Member States
- gradual integration of internal energy market
- international framework for cooperation on climate
- EU climate policy
- public acceptance of new energy technologies and the related infrastructures
- other key drivers:
  - renewable technologies, security of supply and climate policy

#### **ADDITIONAL SUGGESTIONS AND THOUGHTS**

7. Do you have additional suggestions or more specific thoughts on the Energy Roadmap 2050?

- focus on qualified human resources and technology development
- binding commitments from EU countries on emissions reductions
- EU comprehensive carbon pricing policy
- strengthen awareness about scarcity of resources
- focus on industry, housing and transport
- increased global cooperation
- selective support schemes