

EDITORIAL

GEODE has started 2012 with new members from Austria, Sweden and Germany and as the European Association for DSOs is growing from year to year, we would like to thank all members that have been with us for so many years and welcome all those who have recently joined. During the second semester of 2011 GEODE's Office in Brussels has become fully operational and we would like to invite all of you to step by whenever you are travelling to Brussels.

As for the content of GEODE's work for 2012, we will focus on the following main issues:

- The Energy Efficiency Directive adoption process
- Network Codes and Framework Guidelines in electricity and gas.
- Retail market design
- Regulation – New tariffs design
- Smart Cities
- Smart Grids
- Energy Strategy 2015 and 2020. The Energy Roadmap 2050
- The future role of gas
- The development of European energy infrastructure

Carmen Gimeno, GEODE Deputy General Delegate

EUROPE



DANISH PRESIDENCY – ENERGY AGENDA

As Denmark has taken over the EU Presidency, it is of course also focusing on Europe's current main energy issues. Please see below the guidelines for the following months.

The Energy Efficiency Directive

The proposal is to contribute to ensuring that the EU reaches its target of a 20 per cent improvement in energy efficiency by 2020 so that the EU can reach its long-term climate and energy target in a cost-effective manner.

Important elements in the proposal include guidelines for public procurement and energy renovation of public buildings, energy-saving regulations and energy production efficiency; as well as furthering cogeneration, energy auditing and more information to consumers.

Energy road map 2050

The Danish EU Presidency declared to work towards an agreement by the European Council on how the EU is to work towards a greener energy policy in the forthcoming decades.

The goal of the road map is to illustrate that there is a need for a visionary common policy for developing the European

energy infrastructure, energy efficiency, and sustainable energy; and it will be closely coupled with the development of the EU's climate policy.

The Regulation Proposal on energy infrastructure

The expansion of the energy infrastructure is paramount if the EU's internal energy market is to function optimally. This has a bearing upon the energy supply security in all of Europe. The expansion of the electrical power network is also crucial in order to integrate and rationally exploit the increasing share of sustainable energy.

A large part of the infrastructure expansion will be on commercial terms, but there is also a need for EU funding. These proceedings are therefore very closely coupled to the negotiations on the EU's financial framework for the 2014-2020 period.



GAS TARGET MODEL

In December 2011, CEER has delivered to the European Commission a target model for a European gas market. The report sets out CEER's vision for the European gas market in 2014 and beyond. It is the result of the stakeholder engagement with over 700 participants in 5 workshops over the course of the last year. CEER considers the Gas Target Model to rest on the following pillars:

- Well-functioning wholesale markets in all of Europe
- Connecting these functioning wholesale markets in all of Europe
- Secure supply patterns that ensure gas flowing to Europe
- Ensuring that economic investments take place

The GTM contains a suite of recommended steps to achieve a single EU gas market by the 2014 deadline set by the European Council, as well as dealing with longer term issues.

SUMMARY

EDITORIAL

EUROPE

- DANISH PRESIDENCY – ENERGY AGENDA
- GAS TARGET MODEL
- ENERGY ROADMAP 2050
- SMART CITIES
- EC PROPOSAL OF DIRECTIVE ON ENERGY EFFICIENCY

A ZOOM ON

- GEODE SPRING SEMINAR 2012



ENERGY ROADMAP 2050

Published by the European Commission on 15th of December 2011, the Energy Roadmap 2050 shows that the energy sector produces the lion's share of man-made greenhouse gas emissions. Therefore, reducing greenhouse gas emissions by 2050 by over 80% will put particular pressure on energy systems. EC document describes consequences of a carbon free energy system and the policy framework needed, on the analysis of a set of scenarios. The scenarios combine in different ways the four main decarbonisation routes: energy efficiency, renewables, nuclear and CCS. The Roadmap will be followed by further policy initiatives on specific energy policy areas. During 2012 the Commission foresees proposals on the internal market, on renewable energy, on nuclear safety



SMART CITIES

The European Commission is currently working on a Communication on Smart Cities and Communities. The Communication intends to focus on the integration of energy, transport and information & communications technologies (ICT) portfolios relating to their use in the cities. It follows the public consultation in Spring 2011 and the launch of the Smart Cities and Communities initiative. A first meeting with the stakeholders platform took place on 23rd of January. GEODE was attending. The main questions discussed were as follows:

- What are industry/business expectations in order to form successful partnerships/projects with cities. Which should be the role of industry/business?
- In which areas is the greatest benefit of integrating the different sectors to support cities to become more sustainable and energy efficient?
- The Initiative will focus on demonstration projects which should create substantial opportunities for energy efficiency in cities. To which extent should the initiative also look in other measures such as business models or regulatory issues to facilitate market uptake solutions?



EC PROPOSAL OF DIRECTIVE ON ENERGY EFFICIENCY – FOLLOW UP OF THE ADOPTION PROCESS

The ITRE Committee of the European Parliament has postponed its final committee vote on the dossier from the end of January to 28 February, due to the huge number of amendments to consider.

The Council published on 8th December amendments to the EC proposal of the Energy Efficiency Directive. This version introduces more flexibility in the proposal. It is expected that the Council, under the Danish Presidency of the first semester 2012, will soon come up with another text following the one published in early December.

EC PUBLICATIONS

●●● EUROPEAN COMMISSION

- Energy Roadmap 2050, 13.12.11

●●● ACER

- Framework Guidelines on electricity system operation, 6.12.11
- First Edition of non-binding Guidance on the application of the definitions set out in Article 2 of REMIT, 21.12.11

●●● CEER

- CEER report to the European Commission on a target model for a European gas market, 15.12.11
- Final Advice on the take-off of a demand response, 11.1.12

A Z O O M O N

●●● GEODE SPRING SEMINAR 2012

GEODE will hold its traditional Spring Seminar in Brussels on 3rd of May 2012. The seminar runs under the title "Challenging Opportunities and Trends for Gas - Effects on Electricity, Heating & Transport". We are planning to discuss the Energy Roadmap 2050 and related issues such as the future role of gas as primary energy source for electricity and the use of gas distribution networks for electricity storage. Mr Philip Lowe, Director General of DG-Energy, European Commission, has already confirmed to present the key elements of the Energy Roadmap 2050!

A G E N D A

GEODE WG Smart Grids Meeting
Brussels, 1st February 2012

GEODE WG Gas Madrid Meeting
Brussels, 16th February 2012

GEODE WG Energy Efficiency Meeting
Berlin, 23rd February 2012

Madrid Gas Regulatory Forum
Madrid, 22nd & 23rd March 2012

GEODE Spring Seminar
Brussels, 3rd May 2012