

# Roadmap 2050

## Policy conclusions

**Simon Skillings**

**E3G**

CONFIDENTIAL AND PROPRIETARY

Any use of this material without specific permission of the European Climate Foundation is strictly prohibited

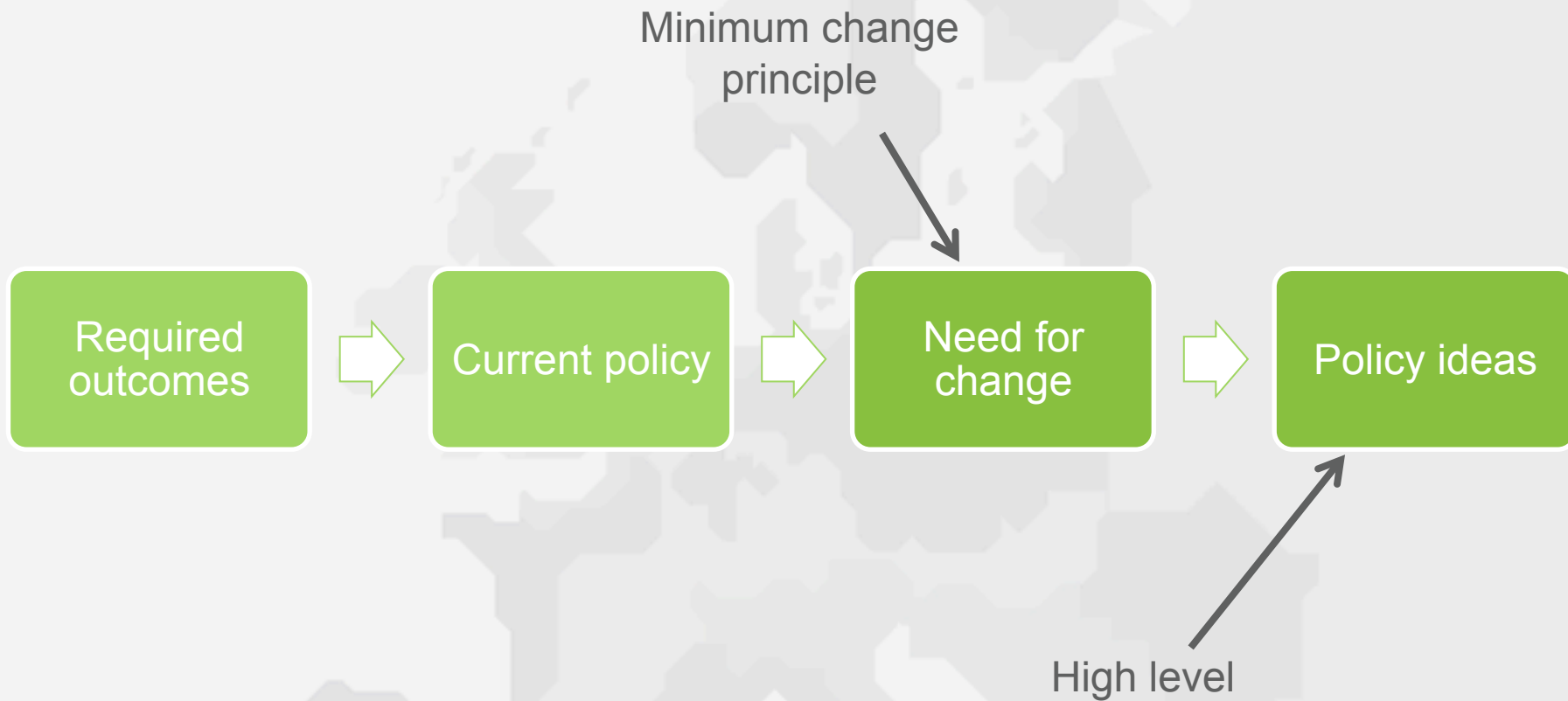


## A PART OF THE OVERALL POLICY CHALLENGE

Electrification/decarbonisation of  
heat and transport, international  
issues, R&D

Power sector  
decarbonisation, efficiency  
of power consumption

# APPROACH



## FOCUS AREAS

### Energy Efficiency

- Priority 1

### Power Sector Decarbonisation

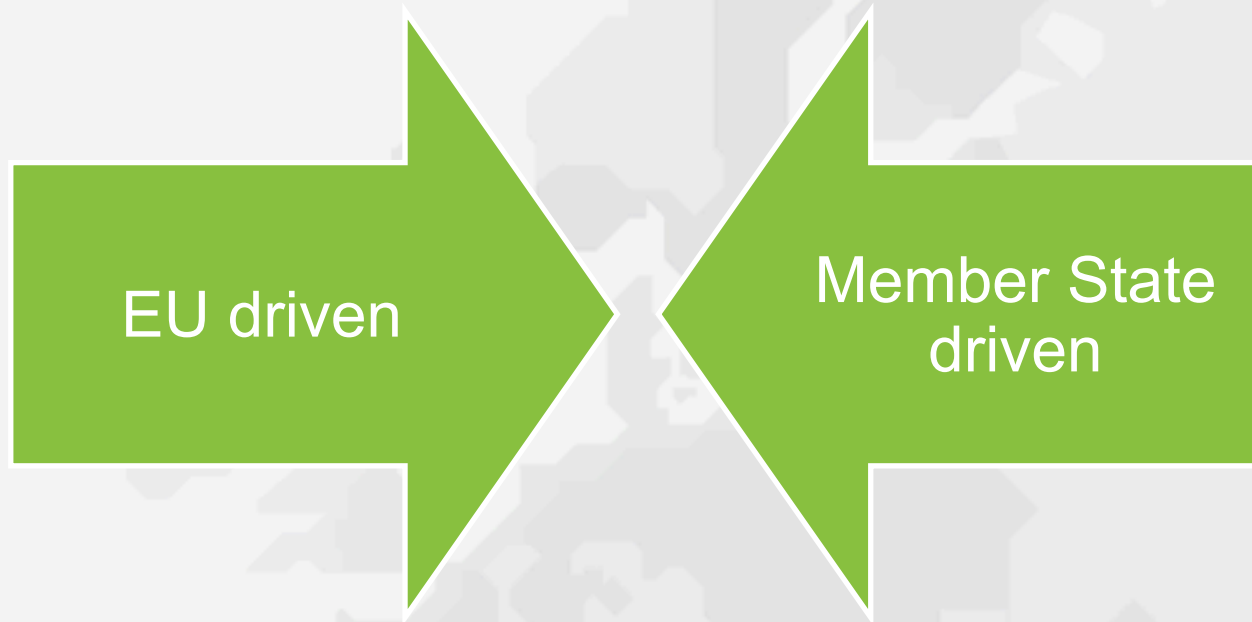
- Commercialisation
- Create business case for low/  
zero carbon

### Networks

- Interconnection and pan-European optimisation of resources
- Smart – particularly demand response

Technology neutral actions to create range of options for low cost and secure 2050 pathways

## TOP DOWN VS. BOTTOM UP



Proposals seek Member State driven solutions where possible –  
but recognise this may not always be sufficient

## KEY ISSUES

- Step change in energy efficiency
- Technology commercialisation
- Creating strategic EU power network
- The future of ETS, complementary measures & market reform

## KEY ISSUES

- Step change in energy efficiency
- Technology commercialisation
- Creating strategic EU power network
- The future of ETS, complementary measures & market reform

### **EU level:**

- Convert non-binding 2020 efficiency goal into a firm requirement to deliver
- Updated framework of standards and regulations

### **MS level:**

- Sustained political commitment
- Broad portfolio of measures designed to take advantage of local circumstances

## KEY ISSUES

- Step change in energy efficiency
- Technology commercialisation
- Creating strategic EU power network
- The future of ETS, complementary measures & market reform

### **EU level:**

- Request MSs to come forward with long term deployment strategies for key renewable technologies and CCS

### **MS level:**

- Consider deployment strategies and whether these need to be co-ordinated at EU level

## KEY ISSUES

- Step change in energy efficiency
- Technology commercialisation
- Creating strategic EU power network
- The future of ETS, complementary measures & market reform

### **EU level:**

- Expand ACER/ENTSO-E mandate
- Create strategic inter-connection plan out to 2050
- Policy framework to promote pan-European resource optimisation

### **MS /regional level:**

- Long term indicative energy mix
- Reform regulators' mandates
- Regionally integrated planning/operations
- Design, execute smart grid pilots

## KEY ISSUES

- Step change in energy efficiency
- Technology commercialisation
- Creating strategic EU power network
- The future of ETS, complementary measures & market reform

### **EU level:**

- Develop complementary measures to EU ETS which create business case for low carbon generation and avoid carbon price distortions
- Strengthen reduction targets

### **MS/regional level:**

- Review market framework to:
  - Create business case for low carbon investment
  - Provide clear signals not to invest in high carbon assets
  - Support market integration

## KEY ISSUES

Bring forward detailed proposals – particularly considering regional specific issues

For example:



- Allocation of risk to investors during demonstration, deployment and commercial phases
- Opportunities for EPS to work alongside ETS
- Capacity markets
- Market integration including full sharing of reserves and other balancing services
- Role for RTOs



.....and now it's over to you.....