

The Role of regulators in CO2 mitigation and carbon markets

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World Forum on Energy Regulation IV
Athens, Greece

October 18 - 21, 2009

OUTLINE

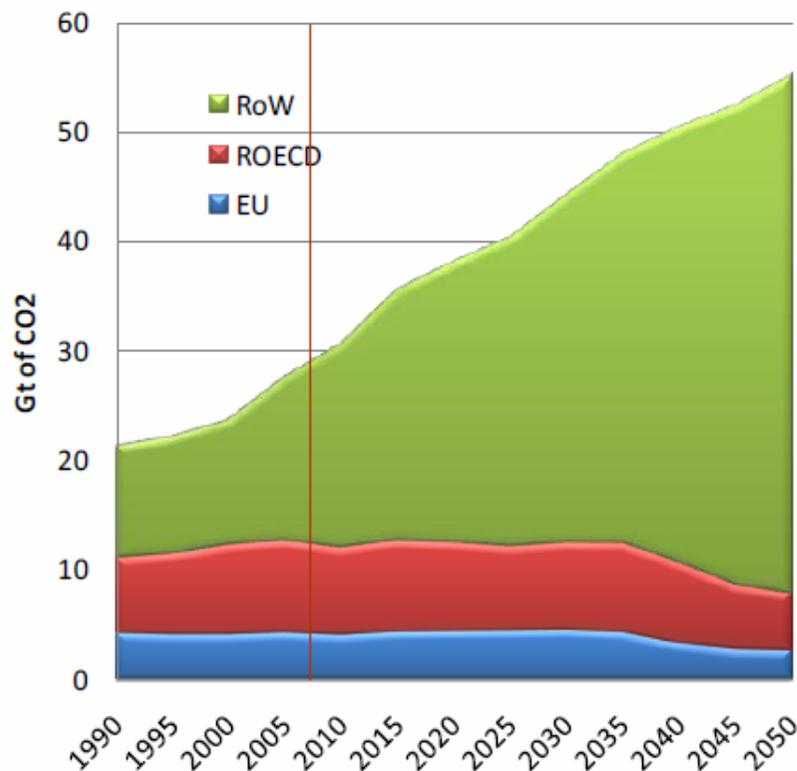


- The problem
- The Industry's response
- What do we want from regulators.

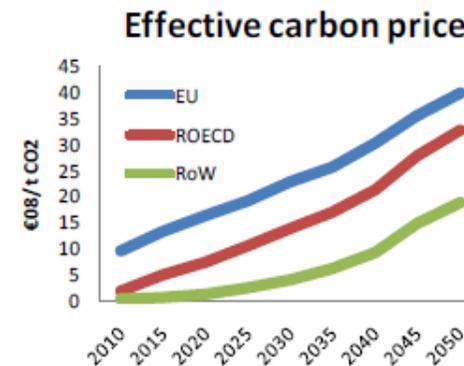
The Problem!!



Reference CO2 emissions by major region



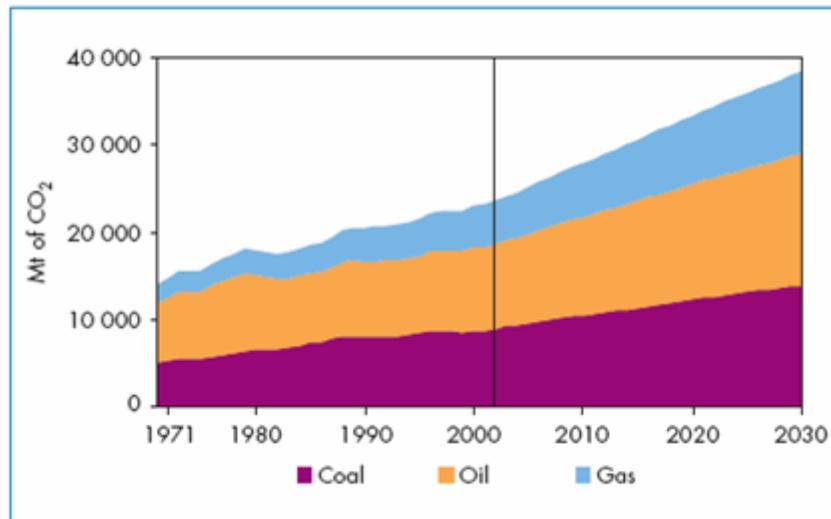
- World emissions double between the present and 2050
- Non-OECD countries overwhelmingly dominate the increase
- Climate policy moderate and undertaken mainly by OECD countries (EU-lead).



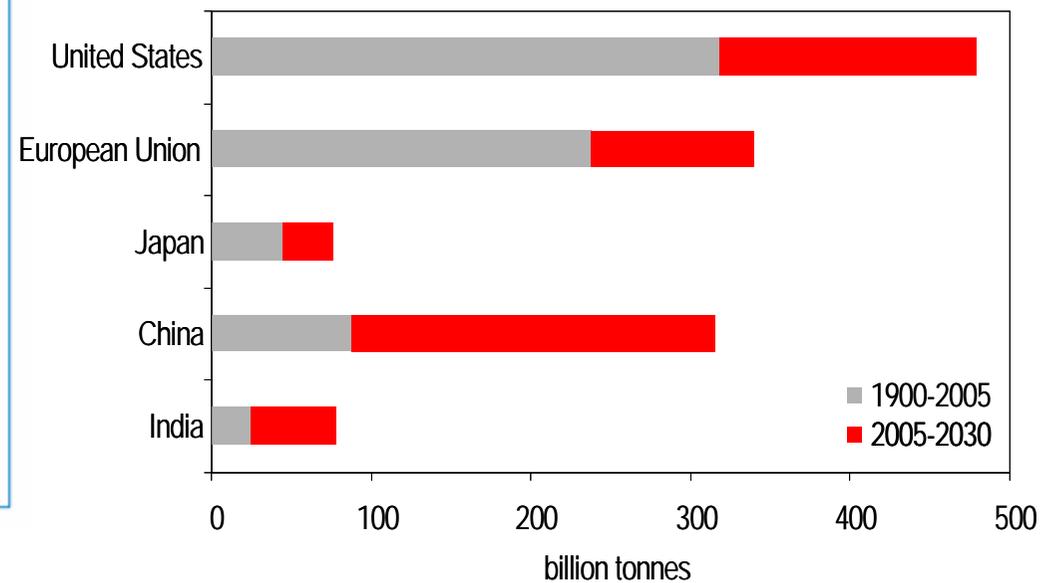


Increase of CO₂ Emissions

Figure 2.13: World Energy-Related CO₂ Emissions by Fuel



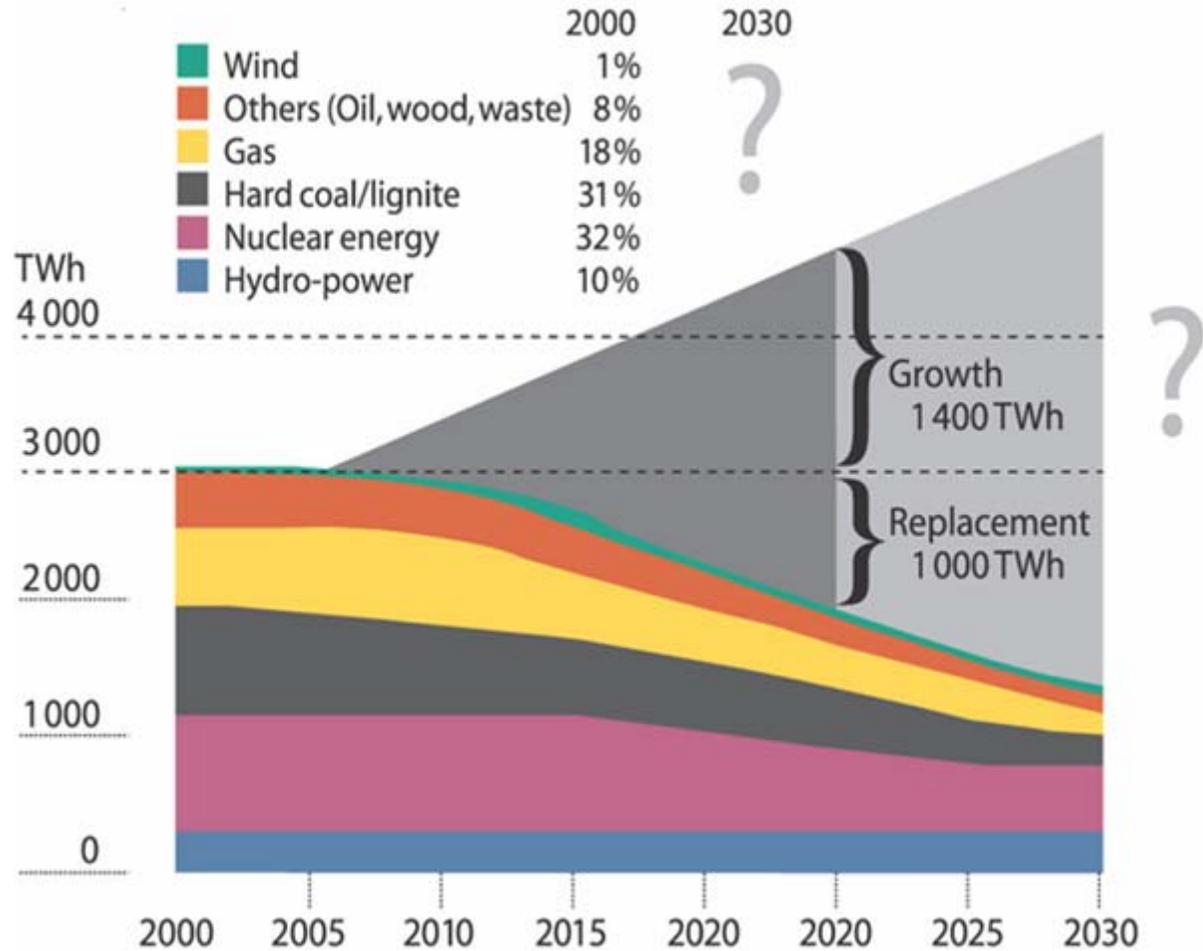
Cumulative Energy-Related CO₂ Emissions



Source: IEA World Energy Outlook 2004 & 2007



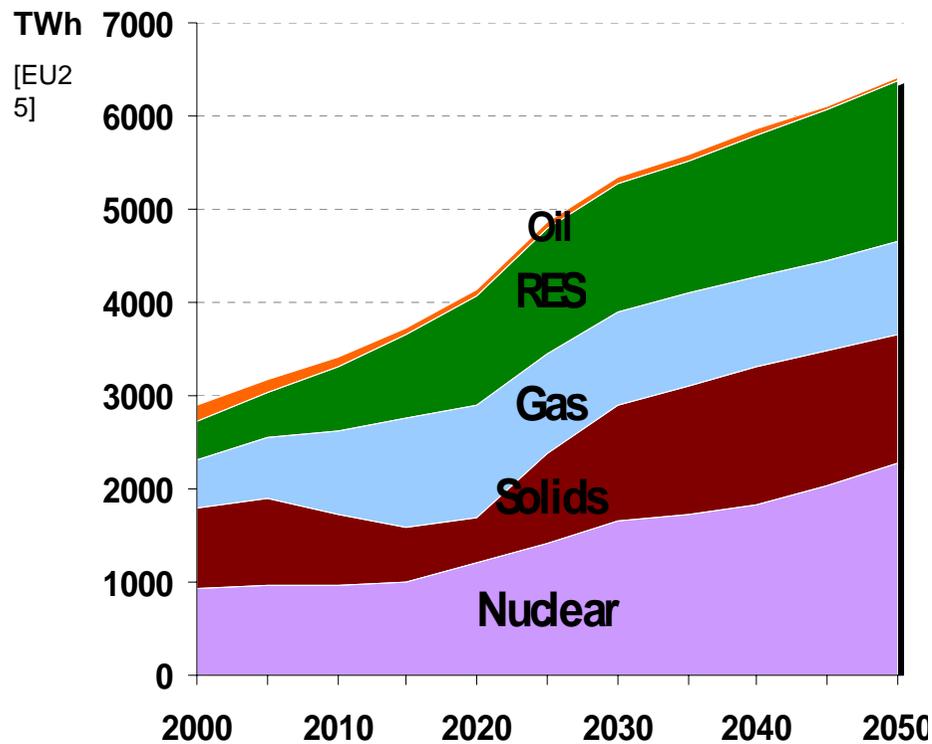
Development of electricity generation in the EU 25 between 2000 and 2030



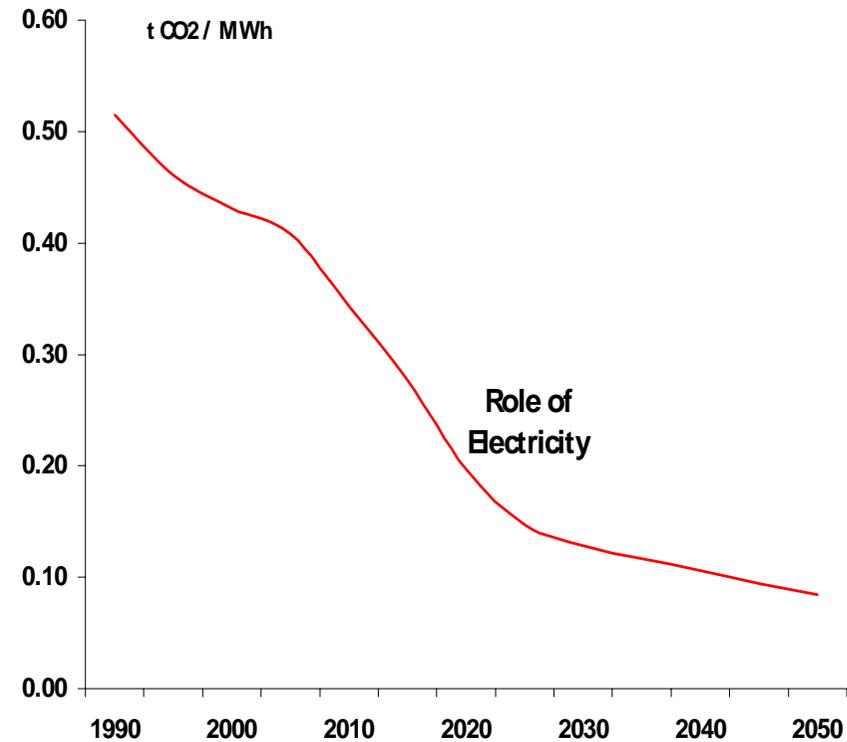


The challenge ahead:

Meeting growing demand...



... while reducing GHG emissions!



Source: PRIMES

The Challenge



How to get to a carbon neutral power sector.

Decarbonising the power sector will drive a low carbon society.

Remember – the science tells us that OECD countries will have to reduce GHG emissions by up to 80% by 2050

EURELECTRIC IN BRIEF

The Union of the Electricity Industry-EURELECTRIC is the sector association representing the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents.

EURELECTRIC's mission is to contribute to the development and competitiveness of the electricity industry and to promote the role of electricity in the advancement of society.

As a centre of strategic expertise, EURELECTRIC identifies the common interests of its Members and, through research into the marketplace, technologies, legislation, etc, assists them in formulating common solutions to be implemented and in coordinating and carrying out the necessary action. To that end, it also acts in liaison with other international associations and organisations, recognising their specific missions and responsibilities.

Within the European Union, EURELECTRIC represents the electricity industry in public affairs, in particular in relation to the EU legislative institutions in order to promote the interests of its Members at a political level.

EURELECTRIC's Full Member structure is based on national representation, via the national electricity association, where such a body exists, or the leading electricity enterprise in each country. Currently there are 33 Full Members, including all 27 EU Member States, current applicants negotiating to join the Community, plus other European OECD countries.

Membership is enriched by European and International Affiliate Members representing the electricity industry across the rest of Europe, in the Mediterranean basin and on other continents and by Business Associate Members from other sectors with stakeholder links to or interest in the electricity industry.

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For full details of the work of the association visit: www.eurelectric.org

- ▶ CLIMATE CHANGE
- ▶ ELECTRICITY MARKETS
- ▶ SUPPLY SECURITY

A DECLARATION
by European Electricity Sector Chief Executives





The Declaration by some 60 CEOs

- Achieve a carbon-neutral power supply by 2050
- Deliver power cost-efficiently and reliably through an integrated electricity market
- Promote energy efficiency and electricity use as solutions to mitigate climate change.



What do we need from Regulators

- Access to capital markets
- Market based electricity prices
- Market based rules to integrate RES etc
- Simplified licensing procedures
- Harmonised, consistent and stable regulatory system



Energy Efficiency

Electricity by replacing less efficient energies and technologies can improve efficiency, increase competitiveness and reduce pollution.

With these unique properties, **electricity should be seen as the energy to drive greater energy efficiency in the EU.**

