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Energy research Centre of the Netherlands
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Institut für Zukunftsstudien und Technologiebewertung
Institute for Futures Studies and Technology Assessment
Schopenhauerstr. 26 D - 14129 Berlin

The European Energy Market – Liberalisation, Decentralisation, Cogeneration

Subject: Invitation to Workshop and Discussion

Dear Sir or Madam

Decentralised generation technologies and cogeneration have the potential to significantly contribute to savings in CO₂-emissions and energy consumption. However, the recent liberalisation of the European Energy Markets has completely changed the way the Energy sector is functioning. New actors have appeared in the energy markets (Independent Power Producers (IPPs), Energy Service Companies (ESCOs), Traders of electricity) and decision-makers tend to be much more oriented on short-term benefits to put up with the competition. How can under these new conditions the potentials be tapped which inhibit the use of renewable energy sources and cogeneration?

Two studies – DECENT and CHP STAGAS – which investigate on the prospects of cogeneration and decentralised generation in Europe have now been completed and a workshop has been programmed to present the results of the projects and to discuss the implications for policy formulation.

DECENT

Taking that decentralised power production based on renewable energy sources and on CHP can significantly contribute to CO₂-emission reduction and energy savings, the guiding research questions can be narrowed down to “How do Decentralised Generators “survive” in the liberalised markets?” and “How can the framework be influenced in order to promote the development and operation of decentralised, environmentally friendly generators?”

To that end DECENT employs a bottom-up approach which directly accesses the experience gained with decentralised generation technologies on project and regional level via a number of case-studies. The results were then linked to an analysis of policy instruments. A set of scenarios for the role of decentralised power generation 2020 in Europe were developed as a part of the DECENT future study. In this way DECENT provides orienting knowledge and technical input to the Commission’s considerations with respect to installing an appropriate framework. DECENT has been conducted by IZT (D), COGEN Europe, ECN (NL), RISOE (DK), Jenbacher (A) and unit[e] (D). DECENT has been supported by the EESD Programme.

CHP STAGAS

This study concerns "The CHP statistics and the impacts of the implementation of the EU Directives on the prospects of CHP in Europe". The first sub-project of this study concerns the collection of statistics for improved monitoring of the CHP penetration in European markets. Next to collecting CHP data the sub-project on CHP-statistics focused on developing a common methodology for data collection in Europe, assisting member states in setting-up an appropriate data collection system and integrating this data system in the overall energy statistic systems. This sub-project has been co-ordinated by CEREN (F) and Institute Wallon (B) and has been conducted with a large number of partners of statistical responsibilities in their own country and with support of Eurostat.

The second sub-project, co-ordinated by ECN, concerns the analysis of the current position of most promising CHP option, namely gas fired CHP plants, which has become largely uncertain in liberalised energy markets. In some Member States the cost-effectiveness of different CHP technologies and thus generally CHP has become worse during the last years, which is expected to continued in the future in Europe. The study has identified and evaluated parameters and conditions (barriers and opportunities) in relation to the implementation of the EU Gas Directive and electricity liberalisation, that will have an impact on the CHP production and investments in CHP. Finally it formulates recommendations to mitigate barriers, for stimulating the development of CHP in Member States and Norway. The study on effects and impacts of liberalisation for investment in CHP technologies has been conducted by ECN (NL) and partners COWI (DK), COGEN Europe, CESEN (I), IDAE (E) and ECON (NO). CHP STAGAS has been supported by the SAVE Programme.

The purpose of this letter is to invite you to a workshop to discuss the results of those projects and to consider the future energy policy needs in Europe. This meeting will take place on 9 July 2002 at 14h00 in Brussels. It is scheduled to finish around 17h30. A draft programme for the workshop is given in the Annex to this letter.

Please note that the views expressed by the consultants do not necessarily reflect those of the European Commission.

Please confirm your acceptance to ECN secretariat (attention of Susan Langeveld, e-mail: langeveld@ecn.nl, or use the attached fax registration slip)

Due to space restrictions no more than two representatives are allowed per organisation.

For Security Reasons we must know who is attending the meeting in advance, so that the Commission's security staff can admit you to the meeting. Therefore, it is essential to confirm your attendance.

For any further information please contact Frits van Oostvoorn at ECN (e-mail: oostvoorn@ecn.nl or phone: +31 22456 4438) or Wolfram Jörß at IZT (e-mail: w.joerss@izt.de or phone: +49 30 80308817).

We look forward to your participation at the Meeting.

Frits van Oostvoorn
Project Manager CHP STAGAS
ECN - Energy research Centre
of the Netherlands

Wolfram Jörß
Project Manager DECENT
IZT - Institute for Futures Studies and
Technology Assessment

The European Energy Market – Liberalisation, Decentralisation, Cogeneration

Please return this form or send an respective e-mail to langeveld@ecn.nl
before 1st July 2002.

I will participate

in the final Project Workshop and Discussion on Tuesday, 9 July 2002, 14:00,
at the European Commission, DG TREN; Rue Demot 24 (3/47), 1050 Brussels

name

institution

address

phone

e-mail

Return registration form via **FAX**

++31 20492 2812

or mail to:

Susan Langeveld
ECN secretariat Policy Studies
Badhuisweg 3
1031 CM Amsterdam

The European Energy Market – Liberalisation, Decentralisation, Cogeneration

Final Project Workshop and Discussion

Date and Time: Tuesday 9 July 2002, 14:00-17:30

Place: European Commission
DG Transport and Energy
Rue Demot 24
B-1050 Brussels
3rd floor, room 47

Please return the registration form before 1st July 2002
and check in at the security desk on arrival

Agenda

Opening	Chair: Simon Minett, COGEN Europe
14:00 – 14:15	Welcome: EU energy policies - recent developments and outlook <i>Speaker: Jesper Lorentzen, European Commission DG TREN</i>
DECENT - Decentralised Generation Technologies. Potentials, Success Factors and Impacts in the Liberalised EU Energy Markets	
14:15 – 14:40	Decentralised Generation in the Liberalised (?) EU Electricity Markets <i>Speaker: Wolfram Jörß, IZT</i>
15:05 – 15:30	How can policy help to create a level playing field between centralised and decentralised generation? <i>Speaker: Martine Uyterlinde, ECN</i>
14:40 – 15:05	Between “Hip Ecology” and “Huge Fossils” – Scenarios for the Futures of Decentralised Generation. <i>Speaker: Timon Wehnert, IZT</i>
15:30 - 15:45	Coffee Break
CHP STAGAS - Past trends and Future Development of CHP in Europe	
15:45 – 16:10	Statistics of CHP by Eurostat-Results and Trends <i>Speaker: Pekka Loesoenen, Eurostat or Bruno Millet, CEREN</i>
16:10 – 16:35	Liberalisation of the Energy Markets and Impact on CHP. <i>Speaker: Else Bernsen, COWI</i>
16:35 – 17:00	Policy Recommendations to Support CHP. <i>Speakers: Frits van Oostvoorn and Fieke Rijkers, ECN</i>
Conclusions & Debate	
17:00 – 17:20	Questions and Debate
17:20 - 17:30	Closing Comments: What does this mean for European energy policies? <i>Speaker: Simon Minett, COGEN Europe</i>