

COGEN Europe Statement
Brussels 13 October 2003



EUROPE AT THE CROSSROADS FOR THE ELECTRICITY SYSTEM

The power failures of Italy, Denmark/Sweden, London and North America focus our minds on the use and reliability of the electricity system. Heavily centralized electricity systems are very dependent on the High Voltage Grid to provide the power from remote power stations to customers. As has been graphically demonstrated in the last couple of months when these systems fail millions of people's lives are affected, businesses shut down and the economy grinds to a halt.

So what is the solution? Build more grids? COGEN Europe does not believe that this is necessarily the only or best option. Instead Europe could and should increasingly decentralize electricity production through cogeneration and local renewable energy. This would reduce the strain on our grid infrastructure, reduce CO2 emissions and cut energy consumption. It would also save Europe billions of Euros. Why? Because the grid is very expensive to construct! Constructing central power stations and reinforcing the grid to accommodate these power stations is more than a third more expensive than decentralizing the production. Building grids is also met by great public opposition. It is time for Europe to rethink its power system and move towards a more rational system. Decentralisation based on cogeneration and renewables is a sensible response to the recent power failures.

CHP, Combined Heat and Power, or cogeneration is the simultaneous production of heat and electricity. This proven technology produces around 10% of Europe's electricity and heat requirements and has a significant growth potential, which will lead to an improved environment and greater economic competitiveness. It is a highly efficient energy solution that delivers substantial reductions in greenhouse gases and other pollutants and is the single largest solution to meeting the Kyoto Protocol on climate change for Europe.

COGEN Europe is Europe's umbrella organisation representing the interests of the cogeneration industry, users of the technology and promoting its benefits in the EU and the wider Europe. The Association is backed by the key players in the industry including gas and electricity companies, ESCOs, equipment suppliers, consultancies, national promotion organisations, financial and other service companies.