COGEN Europe's preliminary reactions to the draft issues paper #4

Brussels, 8 January 2016

The European Commission published on 17 December 2015 the draft issues paper N°4 covering the energy systems (increase the resilience, security, smartness of the energy system). COGEN Europe believes that the role of energy systems as researched under the SET Plan should be strengthened and welcomes the opportunity offered to raise its concerns and comments at this stage of the process.

While the question to stakeholders is to comment on the proposed targets, the CHP sector which provides 11% of Europe's electricity and over 15% of its heat, has some general remarks to make concerning the overall scope and approach:

- The role of energy efficiency in improving the performance of the energy system is badly neglected in the text: even if the energy efficiency targets for 2020 and 2030 are not binding, this dimension of the Energy Union strategic framework is under-represented;
- The title of this issues paper is *Energy Systems* which is wholly appropriate. However, the importance of achieving a greater share of variable renewable *electricity* seems to have led to a document which ignores the role of the rest of the energy systems and confines them to providing stability to intermittent renewable energy sources;
- The underestimate of the role of energy systems other than the power system (heat in particular at local, district and regional level via gas network for instance), does lead to missing or unexploring their integration opportunities;
- The split indicated in the introduction of the issues paper between thermal and renewable electricity generation is wrong, as biomass, biogas, renewable waste fuels hold great decarbonisation potential in the EU[1].

[1] Used in a CHP plant, they can generate both renewable heat and renewable electricity that is controllable and distributed, hence which can offer services to electricity network.

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Comments in direct relation to the proposed target:

- The suggested target should not be about the electricity system / 45% of variable RES, but be the agreed 40% GHG cut by 2030. It is a major shortcoming of this target that it ignores both heat and energy efficiency of networks and network interaction[2];
- This will allow technical solutions that contribute towards the achievement of this decarbonisation target and which are possible through network integration activities; these include (non-exhaustive):
    - Energy and mobility services (heat, power, process energy and transport services) to be addressed in a more holistic way with regard to energy sources (gas, oil, nuclear fuels, coal, RES...) leading to an overall improvement in the energy system;
    - Establishment of a sustainable distributed generation capacity that is properly valued vis-à-vis its cost-effective contribution to energy challenges and its relationship with the main grids and utilities, in particular the issue of self-generated electricity that is auto-consumed;
    - Optimisation of existing asset utilisation (networks, generating capacity and storage) as well as upgrading of part of it to make it supportive of the 2020-2030 energy challenges.

Comments related to the rest of the SET Plan key actions:

At this stage, we have not had the chance to take into account the draft issues papers N° 1, 2 and 3.1 & 3.2 (and we look forward to the forthcoming ones on N°6 & 8) but we are hopeful that the below R&I topics are finding proper treatment in those:

- Heat in general and medium-high temperature heat in particular (industries);
- District heating networks;
- Micro-chp appliances;
- Fuell cel technologies;
- Cost reduction and integration improvements of biomass, biogas and renewable waste production and conversion process;
- Greening of the gas network.

COGEN Europe is fully supportive of the SET Plan goals and approach, and we remain at your disposal for clarification and elaboration of these comments.

END

[2] Over 50% of primary energy is wasted in the form of heat during conversion processes in the EU; this amount of heat wasted in power plants is greater than the whole heat demand of homes and businesses.

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