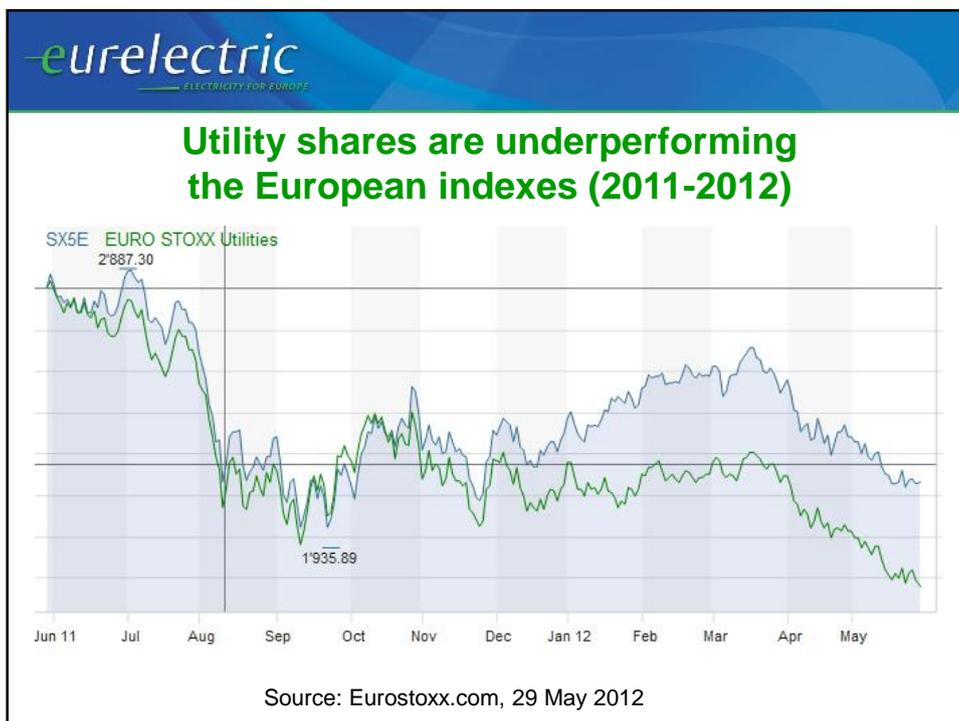




The image features the Eurelectric logo at the top left, with the tagline 'ELECTRICITY FOR EUROPE'. Below the logo is a white box with a black border containing the following text:

What has happened in the last twelve months

- The collapse of financial markets and now the sovereign debt crisis
- GDP growth very low or even negative with pessimistic forecasts
- The after-effects of Fukushima have continued to re-shape the European energy landscape
- The increase in non-predictable renewables has confronted us with unknown challenges
 - o Thermal generation as back up for renewables
 - o A more decentralised generation



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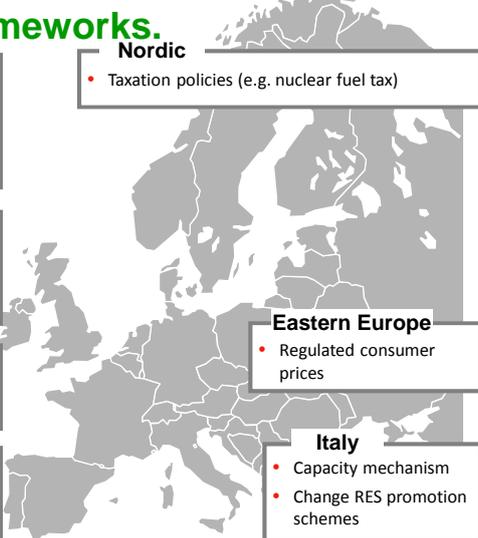
Intrusive and uncoordinated national interventions make our industry un-investable

What we need is more Europe

- Roadmap 2050 as a crucial strategic document
- Governments should determine consistent frameworks. There is a need for alignment
- An integrated and efficient energy market remains at the heart of the EU's strategy

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Governments should determine consistent frameworks.



UK

- Low carbon support (CFDs or feed-in tariff)
- Capacity mechanism
- Carbon price support
- Emissions Performance Standard

Germany

- Nuclear phase-out decisions/laws
- > 50% of market politically determined by 2020
- Only shielded national instruments to achieve these targets

France

- Regulated power prices (e.g. ARENH)
- Capacity mechanism (under discussion)

Spain

- Obligation to use domestic coal
- Capacity mechanism
- Regulated power prices (tariff deficit)
- Volatile RES promotion schemes

Nordic

- Taxation policies (e.g. nuclear fuel tax)

Eastern Europe

- Regulated consumer prices

Italy

- Capacity mechanism
- Change RES promotion schemes

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CEO declaration committing the sector to carbon-neutrality by 2050

to achieve this goal, we consider 3 changes essential to make our industry “investable”

1. The EU needs to integrate its different policies into one coherent structure
2. We should go for a European integrated market
3. Innovation as a catalyst

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3 key elements for the electricity Industry

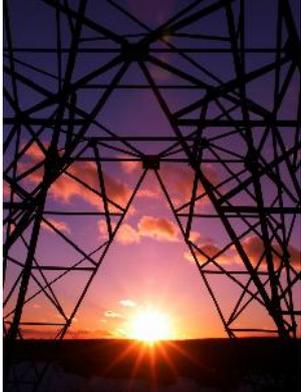
Infrastructures Decarbonisation Innovation



The slide features three images arranged horizontally. The first image on the left shows a high-voltage power line tower against a clear sky. The middle image shows a large industrial cooling tower with steam rising from it. The third image on the right shows a person in a white lab coat looking through a microscope in a laboratory setting.

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Infrastructure is the backbone of an integrated market and is crucial to the energy transition



- Additional Transmission and Distribution capacity will be needed
- Active demand management and customer care are decisive
- Stable regulation is necessary for investments

The slide includes a photograph of a power line tower silhouette against a sunset sky with orange and purple clouds.

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Decarbonisation will be achieved under ETS using all available technologies, including renewables

- **Cost-efficient development using all available technologies**
- **Cost-efficient development and least-distortive support of RES**
- **Full integration of RES into the market**



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The cornerstone to reach carbon neutrality in 2050: the ETS as the key driver

- **EU ETS should remain the cornerstone of the EU climate policy, but credibility must be urgently restored to the system**
- **A clear and stable interaction among RES, EE and CO2 objectives within the ETS is needed**

Immediate measures in 2012 to rebalance ETS so as to stimulate low-carbon investments

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Action is needed now!

- **Single, coherent discussion on climate and energy policies from 2014**
- **ETS as the Umbrella policy**

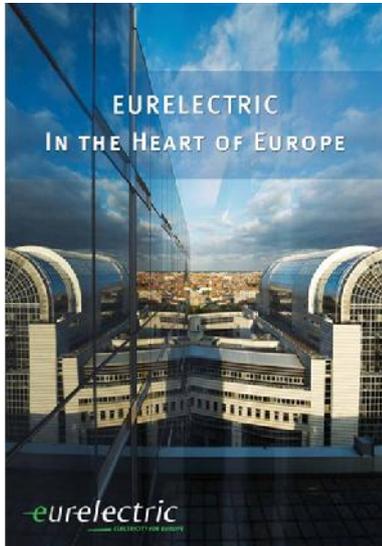
EU must act now to achieve carbon neutrality by 2050

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Boost innovation as a facilitator of change

- **EU should enable innovation and support RD&D for all low carbon technologies**
- **Support needs to be available throughout the entire innovation cycle, including deployment**
- **Innovative financing mechanisms are crucial - Horizon 2020 proposal is promising**





The voice of the European Electricity Industry

- A truly integrated EU market
- Technology neutral
- Carbon-neutrality by 2050
- Electricity is the solution!
- United electricity industry