

Press release on the *5th European Conference on Green Power Marketing 2007*
13 and 14 September 2007, Lausanne, Switzerland

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European green power managers and leaders meet in Lausanne to discuss opportunities in the growing, yet fragmented, European green power market

At the *5th European Conference on Green Power Marketing 2007* held in Lausanne this last 13th and 14th of September, companies involved in key parts of the value chain of the green power industry met with other company representatives, experts and policy-makers from around Europe to share experiences and review the latest developments in policy and the markets of today. This event continues to attract a rare multitude of stakeholders, from producers, to traders, to grid owners, to suppliers, as well as to national governments, the European Commission and a variety of analysts and experts in the not-for-profit sector. This year, the event attracted more than 180 participants from 22 countries with a wide variety of views and experiences in the market.

2007 is a time of ever increasing interest among the investment community in clean technologies, and in particular the renewable energy sector. It also occurs at a time when almost all stakeholders see the key role of support schemes in further developing this market. While still growing, the market has also matured significantly. New players are joining in to benefit from attractive support schemes and important corporate buyers are increasingly entering the market voluntarily. Several new support schemes (e.g. feed-in tariffs in Spain) have now emerged across Europe. Finally, in terms of Europe as a whole, a target of 20% renewable electricity has been set by 2020 accompanied by a 20% reduction for greenhouse gas emissions and a 10% minimum binding target for the share of biofuels used in transport.

Given the dynamic market environment, it is not surprising that the *5th European Conference on Green Power Marketing 2007* attracted so much interest among the community. At the event 40 speakers reviewed market trends and their experiences, explored opportunities in the market, and brought to light the variety of challenges faced by market participants today.

A new pragmatic view appeared to have settled among the community with regard to the dream of full harmonisation of the various national schemes towards a European trading system for green certificates. Indeed, instead of opposing instruments, speakers focused mainly on how to combine them. New concepts were discussed regarding how to make a quite fragmented policy environment still work effectively in Europe in the period leading up to an eventual harmonised scheme for renewable energy in Europe. Participants having plentiful experience and having closely analysed the green power market were recognizant of the effectiveness of feed-in tariffs in many European countries in terms of market deployment. In fact, Dr. Walter Steinmann of the Swiss Federal Office of Energy announced new plans to implement

a feed-in tariff scheme, together with a voluntary scheme, to promote green power production as well as new technology developers in Switzerland.

Nevertheless, the dream of a fully harmonised European trading scheme continues in the minds' of many players as an ultimate goal, although all realize the significant political challenge doing so would imply in Europe.

A few key points made by speakers at the conference generated much discussion among participants.

First, some scenario analyses (e.g. IEA) do not pay enough attention to the potential of renewable energy to meet energy demands in the world and should consider being revised given the increase in demand for green power world-wide.

Second, feed-in tariffs were shown to indeed be effective at market deployment, but when technologies reach full maturity (e.g. wind energy in certain areas) one expects support levels to gradually phase-out and the market to take on its traditional role. In Lausanne first cases were presented where the market offers better conditions than those of feed-in tariffs.

There are still some technical challenges, e.g. related to the grid, however in general there are mostly opportunities to be had as the market continues to develop. However, it is critical that challenges regarding extensive fragmentation in the European green power market soon be overcome. One promising and realistic solution proposed is to combine feed-in tariffs with green certificate trading via the use of Guarantees of Origin (GoO). If so, the EU Directives should link GoOs to disclosure. Redemption should be introduced for the use of GoO. Guarantees of Origin could technically be implemented as transferable certificates, and the European Energy Certificate System (EECS) could be used for implementation.

But resolving technical or political issues is not enough. Projects need also to get off the ground. In that regard, more needs to be done on improving permitting procedures for renewable energy projects and reducing the perceived risk of certain projects in the eyes of investors. Further, more can be learned about how to involve local inhabitants in proximity to a plant and build trust in a community. Michelin and IKEA are good examples of companies moving ahead to achieve sustainability targets via the implementation of green power projects on-site of their facilities. In several cases, local acceptance of these projects has been favourable. Such companies are increasingly gaining experience in this market and are likely to be increasingly interested in buying from the green power market for a variety of reasons, including the fact that these companies and their owners highly value corporate responsibility.

Finally, it was pointed out that although renewable electricity is a key component of meeting European energy security, greenhouse gas emission reduction, and economic goals, one must not forget that increased energy efficiency is an equally important component to achieving these goals. Much remains to be done in terms of supporting frameworks to tap the full potential of energy efficiency technologies available today. It is critical that Europe, and the world for that matter, reduces its energy consumption in order to ensure that all targets can be met, including goals

with regard to green power. Opportunities abound for players in the market that find new ways to successfully market both renewable electricity and energy efficiency to consumers in Europe.

Zurich, 27 September 2007

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