

INDUSTRIAL ENERGY MANAGEMENT – SUSTAINABLE ENERGY USE

Centre for European Policy Studies

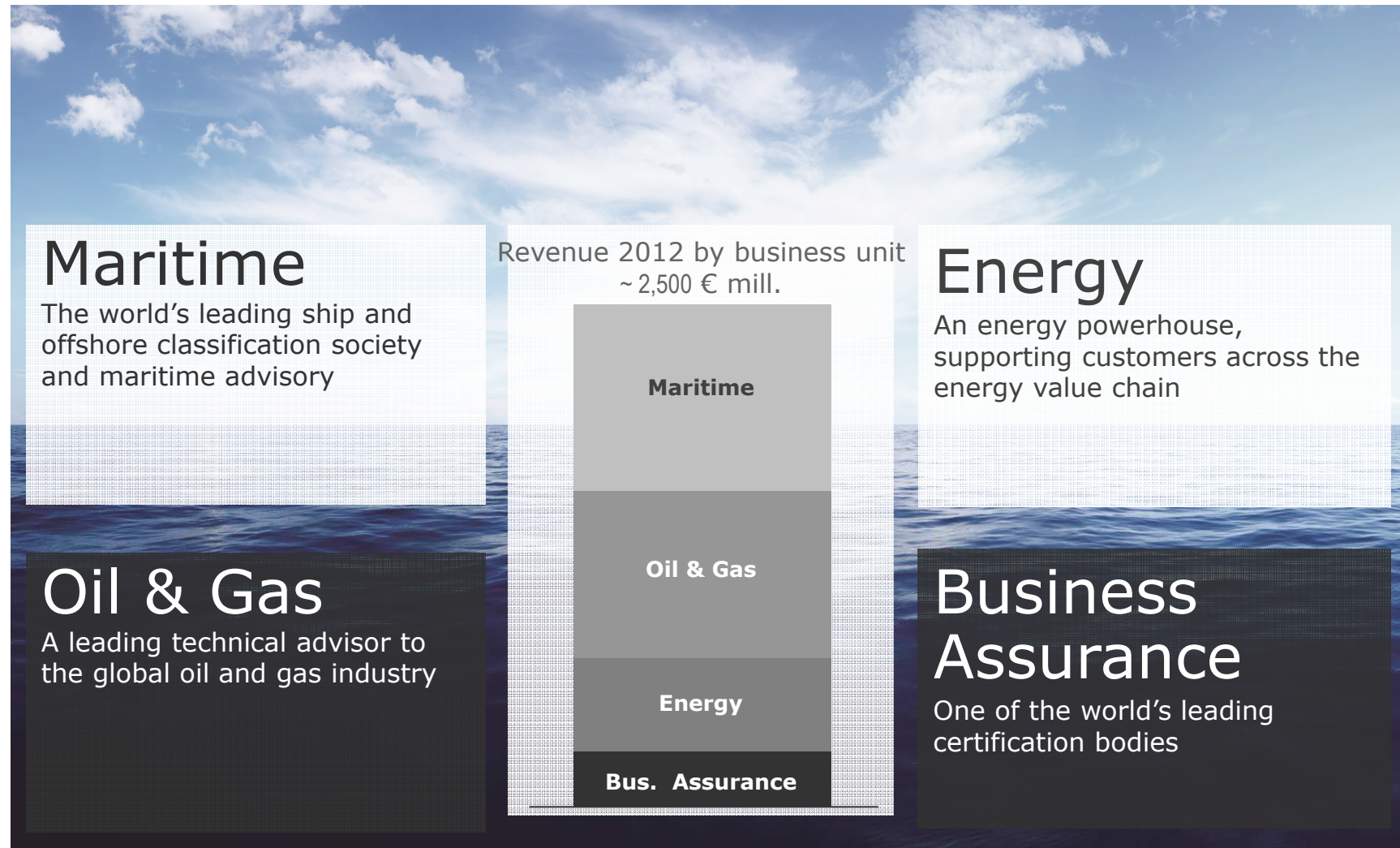
Study on composition and drivers of energy prices and costs in energy intensive industries

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DNV GL - a world leader



DNV GL Energy: One company serving the needs of the energy market place



Policy &
Strategy



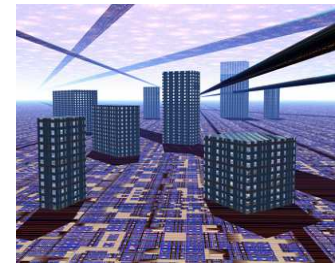
Production



Trading



Transport &
Distribution



Use

Sustainable Energy Use

- Support industry to reduce their energy costs and remain competitive
- Design, help implement and evaluate policy
- Develop, operate and measure the effectiveness of Utility obligation schemes
- Capacity building and market assessments for the new energy economy (Smart Cities, Demand Side Management, Measurement & Verification, etc.)
- Research & Innovation

A level playing field in Europe

- The difference in energy prices between member state is creating an uneven playing field for industry
 - Benchmarking study of electricity prices between Belgium, the Netherlands, France and Germany 2013: Belgium pays 12-45% more (market price, transmission costs, taxes and surcharges)
 - Germany granting businesses fiscal breaks on electricity costs and giving exemptions on green levies to shield heavy industry
 - How can we change this uneven playing field within Europe?



A level playing field globally

- Heavy competition from USA: cheap natural shale gas
 - Do we sacrifice Europe's industry for climate change goals, not enforced worldwide?
 - Is heavy industry a motor for the EU economic recovery?
 - Will the economy rebalance by increasing competitiveness in higher value-added production?



Energy Efficiency in Industry

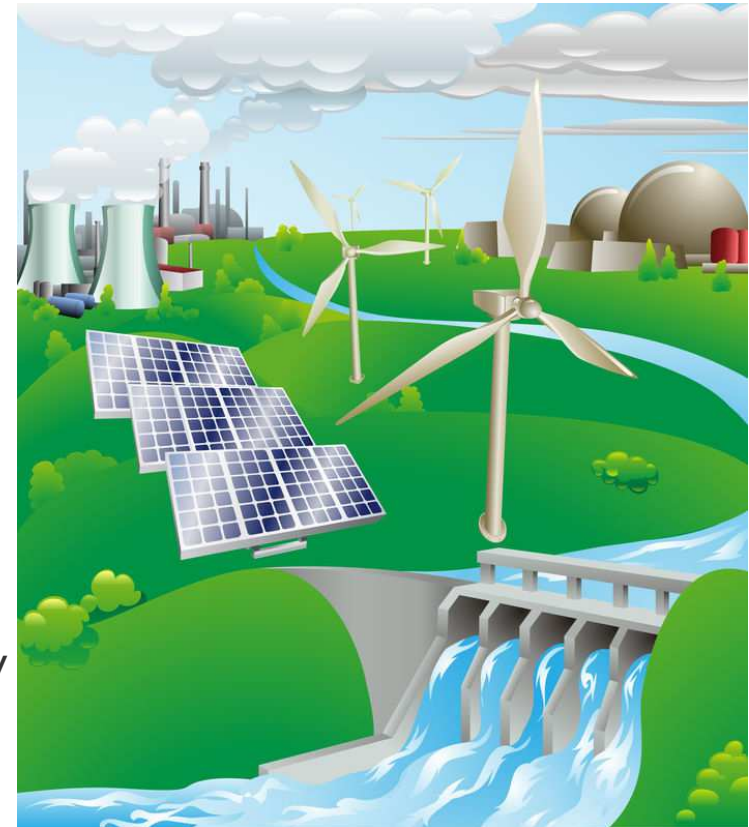
- Don't confuse the closing of plants with industry becoming more energy efficient
- Improving energy efficiency in European industry could help retain their competitiveness
 - Need long term policy and regulation to take the risk of investing in energy efficiency
 - Barriers identified:
 - Strict economic requirements for energy efficiency investments
 - Global companies that invest where they believe the future lays
 - Low awareness/Lack of knowledge
 - Resource constraints (time, money)
 - Preference for supply side solutions
 - Inadequate energy data
 - Resistance to change
 - Perceived risk of production/operation disruption

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Harmonized European energy market

BIG CHALLENGE: Create a harmonized European energy market with ambitions regarding climate change mitigation without penalizing local energy intensive industry

- Support energy intensive industries to reduce their energy consumption
 - For energy intensive industry, the lifetime of their equipment is long so there is some hesitation to “trust” incentives as they change too frequently
- Long-term EU regulatory stability & transparency to avoid internal competition
- Clear potential for demand-response but require change in policy and regulations





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