



Ms. Maud Olofsson
Minister for Enterprise and Energy, Deputy Prime
Minister
Ministry of Enterprise, Energy and Communications
Swedish Government Offices
SE-103 33 Stockholm
Sweden

26 November 2009

Dear Minister,

In view of the Energy Council on 7 December, we would like to comment on the following issues:

Draft EU regulation on measures to safeguard security of gas supply

We support a more harmonised European framework and a strengthened coordination process for a more rapid and more effective reaction to supply disruptions. Minimum common requirements should be defined at EU level for gas infrastructure and crisis management, following sound risk analysis, in-depth impact assessment and clarification of the uncertainties in the proposed legislation. Against this background, Member States should be allowed to design appropriate national frameworks which take into account their national specificities and circumstances.

It is important that policy-makers refrain from costly and burdensome or prescriptive measures. The main responsibility for a secure gas supply should lie with the supply companies themselves. Market-based mechanisms must therefore run as long as possible and undue intervention by the Commission in the assessment and coordination of national emergency measures must be avoided. Only in the last resort and in acute crisis situations should Member States turn to regional or Community intervention.

Avoiding or minimising additional access charges for industrial consumers is essential since the draft regulation assigns the benefit of increased supply security mainly to the protected household sector.

I am pleased to attach a BUSINESSEUROPE position giving more detailed comments on the proposed regulation.

Strategic Energy Technology Plan (SET Plan)

BUSINESSEUROPE strongly supports the recently published Commission Communication "Investment in the Development of Low Carbon Technologies" (SET-Plan). The figures in the Communication demonstrate the need for increased research and demonstration. The Commission rightly estimates that investments in energy technologies need to increase from the current €3 billion a year to around €8 billion a

year to effectively move the SET plan actions forward. With such an increased effort, additional public and private investment would reach €50 billion over the next ten years, which is in line with the challenges that an integrated EU strategy for energy, climate and competitiveness has to meet. We therefore urge the Energy Council to decide on a significant rise in the public share of the burden, to provide the necessary stimulus. Strong support to the six European Industrial Initiatives launched under the SET-Plan is particularly important. Work on exploring other technology avenues should continue.

The EU needs to focus on the commercial perspectives of energy technologies and on how to drive them to market in a cost-effective way. As stressed by the Communication, markets alone will not be able to deliver the massive-scale technology deployment needed to meet our climate and energy targets. We therefore give our full support to the proposals for demonstration projects and pilot plants to enable the large-scale application of low-carbon technologies.

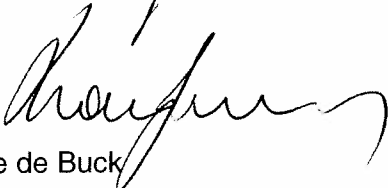
When establishing national financing plans related to the SET-Plan, it will be vital to keep in mind article 10 of the revised ETS (Emission Trading Scheme) Directive, which calls for devoting a high percentage of the revenue from auctioning to financing the development of new energy technologies.

Energy Labelling Directive

Lastly, I would like to thank you for the efforts of the Swedish Presidency to reach an agreement on the revision of the Energy Labelling Directive. The revised directive will strengthen green information towards consumers and stimulate the transition towards an eco-efficient economy. However, the institutional agreement concerning public purchases of energy efficient products could have been much more ambitious. The EU has missed an opportunity to send a strong signal of commitment by public authorities to take their share in the effort to fight climate change.

We trust that you will take account of BUSINESSEUROPE's recommendations when chairing the next "Energy" Council.

Yours sincerely,

Best regards


Philippe de Buck