

Turning the green dream into a green reality

Response to keynote speech

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“Europe 2020 & Belgium: the challenges”

Laurent Hellebaut

Structure

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Foreword

Agoria & the energy transition

- > *Agoria is the federation of the technology industry*
 - > *Our members are providing products & solutions for the building, industry and energy markets*
 - > **Energy efficiency** : *Efficient lighting bulbs & fixtures, Heat pumps, Electric motors/drives,...*
 - > **(Renewable) Energy**: *Equipment and services for power generation, transmission & distribution, Solar panels, Biomass installations, Components for wind turbines,...*

Regulatory framework

- > (EU) Regulatory framework exists to some extent...
 - > energy performance of buildings, energy labelling, renewable energy, ETS,...

 - > (e.g.) Directive on ecodesign of energy-using & energy-related products : screening of all energy using products and definition of strong compulsory energy-efficient performances
 - *Already adopted : Stand-by, lighting bulbs, televisions, electric motors, domestic refrigeration, set top boxes, circulators, external power supplies*
 - = **8,5% energy savings towards 2020 in Belgium** (Source : European Commission, Agoria)
 - *Working plan → 2011 : air-conditioning, sound and imaging equipments, transformers, machine tools, heating equipment,...*

- ... but needs concrete implementation, time, monitoring, strong market surveillance ...

Financial & economic conditions

Subsidies & fiscal incentives

Multiplicity of actors (*Federal, regions, provinces, local authorities, distribution network operators ...*) & Numerous measures

- > Hierarchisation/prioritisation ? Coherence ? Budgets ? Monitoring ? Results ? Efficiency ? Evaluation ? Access to information ?
- > Need to set up a conference to define coherent mid-term policies, yearly evaluate all measures & organize the information flow

Financial & economic conditions

Green financing

- > Energy savings potential (→ 2030) : 30% (source : Etude MC Kinsey & Company / FEB-VBO 2009)
- > Investments needed : 1,6 - 2,2 Mrd Eur/year (all sectors)
- > Green Bank or Green Banking ?
 - > Energy efficiency loans needed = 3 % of all loans in Belgium (800 mio €/year – tertiary buildings & industry)
 - > Green Banking can be provided by banks (normal scope of activities)
 - > Thanks to regional guarantees, rates could be lower than for other investments and borrowing capacity of companies could be maintained
 - > Banks need practical/technical information on the energy savings potential of investments (from the easiest - technologies reports - to the most complex – energy audits)

Financial & economic conditions

CO2 Tax ?

- > A higher and predictable CO2 price would secure energy savings investments in non-ETS sectors (transport, buildings,...)
- > Conditions of success :
 - > Not local but global (at least EU)
 - > Take into account other energy efficiency solutions (ETS, energieconvenanten, accords de branches)
 - > Competitiveness issues (budget neutral, real tax shift, impact on price index, neutral for non-energy intensive industries)

Financial & economic conditions

Challenges for the Belgian Renewable Energy Industry

- > **Key figures** (source : study 'Be.Renew 2009', Agoria)
 - > 115 Technological Companies
 - > Turnover (Mrd Eur) : from 3,014 (2008) to 7,400 (expected in 2014)
 - > Employment : 6.925 direct jobs (2009)
 - > Manufacture of goods & systems : 83% of total activities
 - > Exports of the production : 95%
- > **Key issues for Belgian industry**
 - > *Global markets/Fierce international competition* (Source : Euroobserver March 2010)
 - > *Wind power installed base (end 2009): EU (48%), Asia (24%), North America (24%)*
 - > *2009 Wind power market : EU (27%), Asia (39%), North Am. (29%)*
 - **R&D investments**
 - **Technical skills**
 - **Industrial competitiveness**
 - **Export promotion**

Conclusions

> Turning the green dream into a green reality

- > Mix of Regulatory framework(s), Technological solutions, Fiscal & Economic conditions needed
 - > Implementation of the regulatory framework
 - > Incentives policy based on efficiency
 - > Create ‘Lead customer markets’ (key technologies)
 - > Role of private investors
 - > CO2- price signal needed at an appropriated level
 - > Importance of R&D, Technical skills,... in a globalised green economy