Europe’s major energy players launch clean power initiative

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Thirteen leading players in Europe's energy sector have launched an initiative aimed at eliminating subsidies for high-emission power technologies.

The Make Power Clean group is made up of an unprecedented alliance of fossil-fuel and renewable energy companies including Shell, Siemens, Statoil, Total, Eni, Snam, Eurogas, Nordex and Acciona, Iberdrola, Gas Natural Fenosa, Solar Power Europe, WindEurope and...
the European Semiconductor Industry Association.

With the aim of promoting flexibility in the EU electricity market and further preparing for the energy transition, the group is urging the European Commission and Parliament to stop giving state aid to high-emission power plants “given that cleaner supply alternatives are available now”.

On the table is a Commission proposal to limit access to capacity mechanisms to plants emitting 550 g or less of CO2 per kWh, in support of which the group has written a letter.

“Avoiding that State aid, in the form of capacity mechanisms, ends up incentivizing the most polluting and less flexible power plants is central” to promoting decarbonization in Europe, the letter said.

Plants with higher CO2 emissions will still be able to operate in the market, the group noted, through paying for their emissions within the framework of the EU Emission Trading Scheme (ETS).

The 550 g carbon criterion is in line with both Europe’s 2030 decarbonization goals and the European Investment Bank’s lending strategy, as well as supporting the effectiveness of the ETS, the group said, noting that ETS reform is “critical to deliver a meaningful carbon price signal to drive the switch towards lower carbon power generation”.

The carbon criterion “ensures that capacity mechanisms do not contradict the low carbon incentives delivered by the ETS,” it said.

The announcement comes on the heels of Friday's launch of another new decarbonization group, the Electrification Alliance, which features members SolarPower Europe, WindEurope, Averee, Eurelectric, the European Copper Institute and the European Heat Pump Association. This
group is calling for electricity to be recognized as “the key energy carrier” for Europe’s decarbonized future.

Kristian Ruby, secretary-general of Eurelectric, said at POWER-GEN Europe on Monday that the alliance “will work together to advance the idea of the electrification of the economy, to provide policy recommendations, create new insights and push the idea that we can create benefits for the European economy by gradually electrifying in a smart, sustainable way.”

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