

GILES CHICHESTER MEP

for South West England and Gibraltar

Longridge,

West Hill,

Ottery St. Mary

Devon EX11 1UX

Tel: +44(0) 1404 851106

Fax: +44(0) 1404 850752

Email: Giles@gileschichestermep.org.uk

www.gileschichestermep.org.uk

PRESS ARTICLE

21 January 2012

EU Energy Policy

There have been three general aims for energy policy at the European level - competitiveness, security and sustainability. Over time, the order of their priority has changed as the desirability of achieving an open single market has given way to the perceived threat of climate change. There is, of course, an inherent contradiction between these policy objectives if pursued in isolation. There is also another important contradiction, the fact that energy policy remains a national responsibility whereas a single European energy policy remains an objective.

Security of our energy supply remains fundamental. Without energy, our society would disintegrate. I believe that responsibility for energy policies should remain with EU Member States, because of differences of energy supply requirements from one European country to another; also because the risk to security is greater if only one EU body is making the policy decisions. Imagine the reaction if policy was determined by public opinion in Germany or France and imposed on everyone else?

I believe security of supply is best maintained by diversity: diversity of energy mix, diversity of technology, diversity of fuels, diversity of sources of supply, diversity of suppliers, diversity of planning models.

This doesn't mean we should forget about climate change or competitiveness. Competitiveness is crucial to maintain that diversity and to achieve CO2 emission reduction in the most efficient way. I think we should draw back from what I call the religion of renewables which prescribes the solution before the problem is defined. I also think that if we really want to re-engineer our economy and society into a low carbon version, we should be realistic about targets and timing, especially in relation to our industrial competitors in the rest of the world. And we should be open about the costs of this transformation to the consumers who must foot the bill.

What does this mean in practical terms? Modern industrial societies are becoming increasingly dependent on electricity. Drawing on European Environment Agency (EEA) figures for electricity production by fuel, the shares were oil 3%; coal and lignite 26.3%; natural and derived gas 23.6%; nuclear 27.3%; renewables 18% and other fuels 1.8%. Although these are 2008 figures, they still give a good picture of the situation and an indication of the challenge we face.

For further information contact Press Officer, Tom Maughan
(Tel: 01803 865175 Email: tommaughan@southdevon.org)

Conservatives in the European Parliament

The most significant change since 2008, in my view, has been the emergence of shale or unconventional gas as a major source of fuel. The other change has been the very mixed reaction to the powerful 2011 earth-quake and tsunami experienced in Japan. I remain astonished at the irrational response in Germany to the nuclear disaster but fortunately other EU Member States have taken a more balanced position on the role of nuclear power in long-term energy supply.

It seems clear that we should be looking to reduce the share of coal, at least until we can demonstrate Carbon Capture and Storage (CCS) on an industrial scale. We should continue to encourage a shift to renewables, but not at any price. We should intensify our efforts to replace ageing nuclear capacity and to increase it to a level where it provides virtually all base load demand. We are obliged to think long-term to achieve that low carbon economy. I offer my energy supply target of 40% nuclear, 30% renewables, 20% gas and 10% coal by 2050. These are ambitious but attainable.

The real difficulty of maintaining security of supply, whilst meeting climate change policy objectives, is how we tackle oil consumption in the transport sector. In 2009, oil comprised 41.9% of final EU energy consumption. In road passenger terms, vehicle transport oil supplies over 90% and the percentage for freight is in the high 80% range. Trains provide just under 10% of passenger traffic and just over 10% of freight, so that is a measure of the challenge. Yet change we must if the scientists are correct about climate change. A range of alternative solutions offer themselves such as electric cars, hybrids, hydrogen fuel cells and biofuels.

Finally, let me touch on the other side of the equation, namely, energy efficiency. In this regard, I share the estimate of the European Commission that savings of 20% energy consumption are possible through energy efficiency. However, I differ from their approach of confusing energy savings with efficiency. Energy savings as called for in the draft EU Energy Efficiency Directive just means consuming less. Efficiency means either producing a unit of gross domestic production (gdp) with less energy, or using the same amount of energy to produce higher gdp. Probably we will achieve increased efficiency through a mix of technologies, such as smart meters and smart grids, regulation to enforce higher standards of insulation and buildings efficiency, and the market price since as energy costs rise inexorably people will be more efficient in its use.



Giles Chichester MEP

Conservative MEP for South West England and Gibraltar