

## Romanian Energy Day in Brussels - June 10th, 2014

For the second year in a row, the Romanian Energy Center (CRE) was the host of the flagship event “Romanian Energy Day”, an international conference that brought together on June 10th 2014, in Brussels, over 70 experts from the Romanian and European energy sector. The event was attended by the members of the Romanian Energy Center, by officials of the Romanian Representation Office to the EU, of the European Commission and the European Parliament, of the Romanian Ministry of Energy, as well as by representatives of other associations and energy companies active in Brussels. The conference has been organised with the full support of the Romanian Representation Office to the EU and it was hosted by the Representation of Baden-Württemberg to the European Union.



The main objective of CRE’s event was to analyze the implementation and the future development of a sustainable EU energy policy, particularly with regards to the current energy potential in the EU and the optimal options for monetizing Romania’s energy potential. The opportunities of the Romanian energy sector and its future challenges were the main topics on the event’s agenda.

Composed of three different thematic sessions, the “Romanian Energy Day” conference addressed the following themes; the energy potential in the European Union and in Romania, the challenges of using the different energy options and the energy potential and the financing of the energy transition in the EU and Romania.

### Welcome messages



(from left to right: Stelian Gal, Zeno Danner, Mark van Stiphout, Karoly Borbely)

The event started with the welcome messages of Mr **Stelian Gal**, CRE President, Mr **Zeno Danner**, Director of the Permanent Representation of Baden-Württemberg to the EU, to His Excellency Mr **Cristian Bădescu**, Deputy Ambassador at the Permanent Representation of Romania to the EU, Mr **Mark van Stiphout**, member of the cabinet of the European commissioner Energy, Günther Oettinger, Mr **Karoly Borbely**, state secretary for Energy in the Romanian Ministry of Energy.



**His Excellency, Mr Cristian Bădescu**, Deputy Ambassador at the Permanent Representation of Romania to the EU, spoke about the actions through which the EU can create a single energy policy; he stressed that Romania endorses the idea but believes that such a policy should take into account the right of the Member States to protect their national strategic objective with regards to their energy security. He mentioned, as part of a potential solution: strengthening the internal energy market by consolidating European and regional cooperation, a better use of the internal resources, developing cooperation with neighboring countries of the EU, and defining the

role of the EU at an international level respectively. *“I welcome CRE’s initiative to make a tradition out of organizing such conferences here in Brussels. Important topics for both the public and the private environment are on today’s agenda. I am confident that today’s discussions will have a valuable contribution to the current debates concerning the actions that can contribute His Excellency said.*”



*“The European Union is currently working on the 2030 horizon framework. Meetings such as this one, which bring together representatives of the Member States and of the EU institutions and organizations are therefore welcome”,* said **Mark Van Stiphout, representative of the EU commissioner for Energy, Günther Oettinger**. The representative of EU commissioner Oettinger added: *“We are talking about the energy targets for the next period. This fall we hope to reach to an agreement with the Member States both in what concerns the 40% cut in CO2 emissions, as well as with regard to the weight increase of RES in the mix. On the medium and long term, the European trend, also taking into*

*account the state of play in the neighboring areas as our objective concerning energy security, will be to pay greater attention to harmonizing national plans and to the interconnection and market integration efforts.”*



**Mr Karoly Borbely**, state secretary for Energy in the Romanian Ministry of Energy talked about Romania’s current energy challenges and mentioned a new national energy strategy as instrumental. *“We are working already for two months at this strategy, which will cover the 2014-2035 timeframe. We want to approve the document at the beginning of November and we want to have a realistic energy strategy. Our objective is to become 100% energy independent.”*

According to the secretary of state, renewables will continue to be part of the strategy, but the support they will be receiving will be more sustainable on the long run: *“This is one of the priorities of this strategy and not lastly those unconventional resources which we hope to have in the country. We need to work together with the European Commission to find the most appropriate solutions for further investments of this kind.”* Another main project, together with the interconnections with neighboring countries, investments in hydro and nuclear energy, will be increasing the efficiency of coal-based power plants, taking into consideration the fact that coal accounts for around a quarter of the energy mix.

As to the situation in Ukraine, Karoly Borbely believes that Romania can play an extremely important role: *“We can insure a very important stability in the area. Our country is safe for investors.”*



**Mr Zeno Danner**, the head of the energy policy department, Permanent Representation of Baden-Württemberg to the EU, said that the energy policy is very important for the German land and mentioned the Danube Strategy, which concerns Romania also and in which energy cooperation is key.



**Mr Stelian Gal**, CRE President, opened the event by highlighting Romania's energy strengths, as well as the challenges that the country has to overcome and which regard decarbonization, energy security and the consumers' changing needs. *"Romania needs to leverage the advantages it has energy-wise and to identify sustainable solutions to meet the current challenges in the national and European energy sector. We hope that this meeting will bring us one step closer to this strategic objective"*, he said.

### First session: Energy Potential - EU and Romanian focus

The first session was dedicated to topics concerning the European and national energy potential: EU's strategy for the efficient use of the energy potential on the long term, the European energy infrastructure and its role in the internal energy market, energy efficiency and its potential in Romania, and the optimal options for the sustainable and efficient use of the energy potential.



The session, which was moderated by **Mr Dan Luca**, Director at EurActiv, had a panel made of specialists and decision makers at the national and European level: **Mr Tudor Constantinescu**, principal advisor at DG ENER - European Commission, **Mr Corneliu Bodea**, CRE Vice President, **Mr Ștefan Gheorghe**, Energobit Group Director, and **Mr Guillermo Amann**, President of the Spanish Association of Electrical Equipment for the Transport and Distribution of Energy.



**Mr Tudor Constantinescu** talked about the European strategy for an efficient, sustainable and secure policy. He reminded, among others, the systemic challenges that the EU needs to overcome on the long term, such as the increased import dependency, higher energy prices, the decarbonization process, as well as the current energy mix. He stressed the fact that the import dependency will increase in the following period and that this will reach to over 80% by 2035. In this context, the EC representative mentioned the measures through which these challenges can be efficiently dealt with. *"We need to finalize the internal market, increase our energy efficiency and the weight of renewables, and at the same time use all available resources. Also,*

*we need to invest in the modernization and development of our energy infrastructure. Last but not least, we need to diversify our external suppliers and our international partnerships.”* The DG ENER representative mentioned the 2030 targets and said that the package will be finalized in October 2014 with concrete measures concerning energy efficiency to complete the 40% decrease target for CO2 emissions and at least 27% weight of renewables in the mix. Furthermore, he presented the EU’s short term objectives: energy security tests, solidarity measures at regional and European level, an increase in deposits, reverse flows and LNG as a priority for the 2014-2015 winter.



Mr **Corneliu Bodea**, Vice President of CRE, talked about energy efficiency; in his view, efficiency is a prerequisite in view of consolidating the EU’s energy security. *“One talks more and more often recently about energy security at an EU level. But energy security is rooted in energy efficiency. Europe is facing a paradox right now. We have been pioneering energy efficiency and innovations in the field, but we are talking at the same time about the most expensive resources, the highest prices, about an increased import dependency. Soon, the EU will need to find an answer to these challenges and the energy efficiency increase needs to be among the main lines of actions”*, he said.



Mr **Guillermo Amann**, President of the Spanish Association of Electrical Equipment for the Transport and Distribution of Energy, talked about the challenges of the European energy mix by 2030 and highlighter the fact that these translate into a 45% share of renewables in the electricity mix. In his speech, Mr Amann congratulated CRE’s office in Brussels for its efforts of promoting the interest of the energy industry at an EU level and not only in Romania.

## The second session: Challenges in the use of energy options and of the energy potential

The following session was dedicated to the challenges in the use of energy options and of the potential these options bring. Under the moderation of CRE Vice President **Cornelui Bodea**, the panelists talked about the future developments in the oil and gas sector in Romania, the controversies surrounding the use of coal in the mix, the long term development of the gas and electricity infrastructure in Romania, as well as about renewables and their role for sustainable energy.



The panel consisted of: Mr **Alexandru Maximescu**, Public Affairs and Regulations Manager of OMV Petrom, Mr **Brian Ricketts**, Secretary General of Euracoal, Mrs **Gabriela Mareş**, Transgaz CEO, Mr **Gheorghe Vişan**, member of the Transelectrica board, Mrs **Susanne Nies**, Head of Energy Policy and Generation at Eurelectric, Mr **George Manole**, General Manager of Eximprod Group, Mr **Florin Pop**, General Manager of Energobit Group and Mr **Janis Folkmanis**, New Energy Technologies, Innovation and Clean Coal Unit, DG ENER — European Commission.



(from left to right, upper row: Alexandru Maximescu, Brian Ricketts, Gabriela Mareş, Gheorghe Vişan)



(from left to right, lower row: Susanne Nies, George Manole, Florin Pop, Janis Folkmanis)



Mr **Alexandru Maximescu**, Public Affairs and Regulations Manager at OMV Petrom, talked about the role of the Black Sea in energy security in Europe. According to the OMV Petrom representative, through investments Romania can decrease its import dependency, which is currently on the rise. *“Romania is in an advantageous spot from a dependency perspective. But without investments, this dependency will double by 2030. We can prevent this by means of an adequate fiscal and investment policy”*, he said. Mr Maximescu stressed the fact that security of supply needs to be consolidated through diversification and

reminded that the Black Sea has been identified as a source, mentioning the OMV Petrom - EXXON project and expressing his confidence that Romania can become a regional benchmark in the gas industry. *“Europe should be more cautious when taking new engagements concerning the CO2 decrease. An international decision should be taken first. The EU is accountable for only 10% of CO2 emissions. The other world players need to comply as well as Europe alone will not be able to save the world”*, he added.



Mr **Brian Ricketts**, Secretary General of Euracoal, focused his presentation on the controversies concerning the use of coal in the European energy mix. He was in favor of a balanced mix, one that would not exclude coal as long as this remains a competitive energy source. The Euracoal representative added that the 40% decrease objective for CO2 by 2030 is too ambitious and described renewables as *“a fashion accessory: nice, but costly.”* *“For economic and energy security reasons, the EU should maximize its production based on all indigenous energy sources. In this sense, the EC should work together with the governments of the Member States and with the industry to*

*make sure that coal production in all Member States remains competitive and, thus, import dependency is kept under control.”*



Mrs **Gabriela Mareş**, Transgaz CEO, presented the key gas infrastructure projects in Romania and mentioned the Southern gas corridor and the central one as instrumental. *“Investments in infrastructure need to be supported as to allow access to markets”*, she highlighted while explaining that the Romanian gas transmission network was built in the 1970s-1980s and that because of its age, the conditions in which the transport occurs are not optimal and that rehabilitation works as well as works in developing the network are needed.



Mr **Gheorghe Vişan**, member of the Transelectrica board, talked about the challenges and priorities concerning the national electricity transport system in the next 10 years. *“Among the main challenges at Transelectrica I would mention the integration of generation capacities for renewables (mainly solar and wind energy), the development of the interconnection capacity to avoid congestions at internal/regional level, as well as an increased compliance of the transmission network by aligning it to the ENTSO-E standards”*, he explained.



Mrs **Susanne Nies**, Head of Energy Policy and Generation at Eurelectric appreciated the fact that renewables have become a key sector in Europe. She highlighted the fact that some tens of years ago the Europeans thought about renewables as utopian, but now they must admit that they have become extremely important. *“We should develop together a regional agenda that should encompass not only Members States like Romania or Bulgaria, but also countries like Ukraine and the Republic of Moldova.”* With regards to renewables, each MS should define its own local agenda concerning the implementation of renewables. It is a challenge for Romania and Bulgaria as

EU Member States to find adequate solutions that would ensure an efficient transition. She also stressed the fact that renewables require a market adjustment as well as technological innovations in the area.



Mr **George Manole**, General Manager of Eximprod Group, made a brief presentation of the company, which has been operating in the energy sector for three decades. He stressed the fact that the company is bound to further continue the Romanian tradition in the energy sector. Mr Manole talked about the company's activity profile, as well as about its main projects focusing in particular on electricity. The Eximprod Group representative said that the company is interested in the automated production of solar and wind energy. One of the company's achievements was the implementation of automated distribution systems for energy.



Mr **Florin Pop**, General manager of Energobit Group, showcased the main projects of the company, among which the wind farm at Fântânele Cogea and the solar park at Ucea, the biggest in Romania. He also shared with the audience the lessons learned from the projects in which the group was involved and highlighted the importance of *“developing skills and local partners for the success of energy projects in Romania.”* Florin Pop reminded the fact that in Romania renewables have turned into a real boom on the energy market and the skills gained by the Romanian experts have become strong credentials for the Romanian energy sector.



Mr **Janis Folkmanis**, New Energy Technologies, Innovation and Clean Coal Unit, DG ENER — European Commission, stressed the fact that, from an EU perspective, in order to achieve sustainable development and ensure energy security, Member States need to collaborate, not compete against each other. From this perspective, the implementation of renewables needs to be done in a balance manner, so that at the end, both producers as well as consumers benefit from fair prices. Mr Folkmanis said that in the new European energy map developed by the cabinet of the European commissioner for Energy, Gunther Oettinger, renewables account for two thirds and that this is a very ambitious project and a future challenge. The EC representative said that the discussion

going on with relation to the 2030 agenda are still ongoing but that, in the meantime, the 2020 strategy objectives for renewables will be achieved. He said that in 2012, statistics show that Romania is in a very good place in terms of implementing renewables.

### The third session: Financing the energy transition in the EU and in Romania

The closing session of the CRE session was dedicated to the financial means available at public and private level to cope with the challenges of the energy transition in the EU and in Romania.



The members of the panel moderated by Mr **Janis Folkmanis** were — Mr **Sebastian Gras**, Policy Officer, DG ENER — European Commission, Mr **Dorin Badea**, Financial Markets Manager at EximBank, Mr **Adrian Ciurtin**, Managing Partner of Ciurtin și Asociații law firm, and Mr **Gabriel Aldea**, Manager at Siveco. The panelists talked about the Connecting Europe Facility mechanism, the cohesion policy and the risks and opportunities in co-financing energy infrastructure projects.



(from left to right: Sebastian Gras, Dorin Badea, Gabriel Aldea, Adrian Ciurtin)



Mr **Sebastian Gras**, Policy Officer, DG ENER — the European Commission, did a brief overview of the Connecting Europe Facility mechanism and mentioned the fact that huge investments are needed to modernize the current infrastructure and to further expand it. The EC representative explained how the fund are being allocated for projects of common interest at European level and mentioned the fact that 14 Romanian projects are among the 248 that qualify for financing through CEF: seven gas projects and seven energy projects. The EU’s objectives concerning financing are, according to the EC expert: *“ending energy isolation, bottlenecks and finalizing the internal energy market.”*



Mr **Dorin Badea**, Financial Markets Manager at Eximbank, did a short overview of the bank’s service and product portfolio for energy projects and said: *“EximBank strategically directed its funds and financial instruments towards renewable projects, energy efficiency and sustainable development. The bank is looking to support Romanian energy companies reach the national objective of supplying 35% of energy from renewables by 2020.”*



Mr **Adrian Ciurtin**, Managing Partner of Ciurtin și Asociații, stressed the fact that Romania's geographical position bring along a big opportunity, *“but at the same time comes with some risks”*. He talked about the market entry barriers that energy efficiency projects have to overcome and which can cause their failure, while also reminding the financing instruments for investments in energy efficiency, such as energy performance contracts and third-party financing.



Mr **Gabriel Aldea**, Director at Siveco, did a brief introduction of the services and products that SIVECO has to offer, stressing on the e-learning projects that can be tailored made depending on the customers' needs.



In his closing remarks, **Stelian Gal, President of CRE**, said: *“For the second consecutive year, we have succeeded in organizing here in Brussels a high level event that facilitated a very fruitful exchange of ideas and information. All those present have agreed upon one aspect: Romania can have an important role in achieving Europe's objectives and that the country can become a true energy pole in South-East Europe. We've seen here showcased many successful projects and a handful of good ideas which need a common platform to be promoted and transformed into reality. I am convinced that CRE can play an important role in defining such a platform.”*

The event gathered over 70 participants, representing Romanian companies such as Siveco SA, Adrem Invest, Azomureș, Eximbank, NRGSG Technik, Energobit Group, Eximprod SA, OMV Petrom, Tractabel Engineering, Transelectrica, Transgaz; the European Commission, the European Parliament, the Council of Europe; as well as representatives of European organizations such as : ENTSO-E, Eurelectric, Euracoal a.s.o.

The event has been organised with the kind support of the Permanent Representation of Romania to the EU.