



MOCK AD Oral presentation (1)



Participant Information

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ASSIGNMENT

IMPORTANT NOTICE:

This is a fictitious document produced solely for the purpose of this exercise. All references to existing states, international organisations, private companies, departments, their representatives etc. should be considered as mere examples. The views expressed do not represent the position of these bodies or persons.

Participants are therefore advised to rely solely on the information provided and not on any prior expertise in the field when answering the questions.

For this exercise, you will take on the role of Administrator in the Renewables Unit of the Directorate-General Energy. The documentation you need is included in this booklet. It comprises a number of e-mails, newspaper articles, and other information that you will have to analyse and digest in order to be able to deal properly with the assignment given to you.

It is important that you accept the scenario as it is presented to you. Although in real life you would have access to other sources of information and would be able to consult your colleagues, in this exercise you are limited to the information contained in the documents provided. You are, however, allowed to make logical assumptions where information is missing or incomplete.

You may rearrange the information in any order you wish and add remarks or make notes as necessary.

This Oral Presentation is designed to assess the following competencies: Analysis & Problem Solving, Communicating (Oral communication), Delivering Quality & Results, and Resilience. No previous knowledge is required to carry out the assignment or to answer the questions.

Please note:

Today is Wednesday, 15 September 201X

Last year was 201X-1, next year will be 201X+1

ABBREVIATIONS USED

ACER	Agency for the Cooperation of Energy Regulators
DG	Directorate-General
ENTSO	European Network of Transmission System Operators
EU	European Union
GDP ¹	Gross Domestic Product
HoU	Head of Unit
MS	Member States
NRA	National Regulation Authorities
RES	Renewable Energy Sources
RES-E	Renewable Electricity
RES-H&C	Renewable Heating and Cooling
RES-T	Renewable Transport

¹ Market value of all final goods and services produced within a country in a given period.

BACKGROUND INFORMATION

EUROPE 201X+8 STRATEGY

The well-being of our people, industry and economy depends on safe, secure, sustainable and affordable energy. At the same time, energy-related emissions account for almost 80% of the EU's total greenhouse gas emissions. The energy challenge is thus one of the greatest tests that Europe has to face.

The Europe 201X+8 Strategy puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

Each MS has adopted its own national targets in each of these areas. Concrete action at EU and national levels underpins the strategy. The cost of not meeting the targets by 201X+8 would be huge in terms of employment and GDP. Failure would only increase the costs for consumers and put Europe's competitiveness at risk. In order to meet the targets, RES and technological solutions need to be promoted and a lot of challenges still need to be surmounted. Of course, this will be a gradual process in several phases, as it is impossible to make all the necessary changes in the short term.

The European Council endorsed a binding target for renewable energies as 20% of the overall EU energy consumption by 201X+8.

SMART GRIDS¹

A smart grid could be described as an upgraded electricity network to which two-way digital communication between supplier and consumer, intelligent metering, and monitoring systems have been added. The system enables suppliers to provide electricity to consumers using the latest digital technologies. It enables cost and energy savings by monitoring the flow of electricity across the entire network. Smart grids have several benefits. They open up possibilities for consumers to control and manage their individual consumption patterns directly, providing, in turn, strong incentives for efficient energy use if combined with time-dependent electricity prices. Improved and more targeted management of the grid translates into a grid that is more secure and cheaper to operate. Finally, smart grids, along with other renewable energy technologies and sources, can make an important contribution to the new strategy for smart, sustainable and inclusive growth.

¹ An electricity network that can efficiently integrate the behaviour and actions of all users connected to it in order to ensure an economically efficient, sustainable power system with low losses and high quality.



MAIL MESSAGE

From: Elisabeth Lejard, HoU Renewables, DG Energy
To: <Your name>
Cc:
Date: 15/09/201X
Subject: Welcome

Dear,

As mentioned on the phone last Friday, your assignment will be to take over from Patrick Huysman, who suffered a serious accident last Monday and will not be able to return to work for some time.

A seminar on Renewable Energy and Energy Efficiency will take place within the Commission in two weeks' time. While we are currently on track to meet the 201X+8 energy targets, there is still work to be done. Therefore, I want to ask you to prepare a proposition outlining the main challenges that need to be tackled in order to meet the EU 201X+8 energy targets and to provide a recommendation for each of the challenges.

As all European Union MS have to draft an action plan on how they will meet the 201X+8 targets, we need to provide them with an example of a specific case. Therefore, I want you to compile a draft action plan for Ruritania, in which you describe the necessary steps to be taken.

Kind regards,

Elisabeth Lejard



THE EU'S ENERGY MARKET

Up to now, there has not been an integrated EU energy market to speak of, although it would have several advantages; supply ; for example, would be more secure. Therefore, better coordination of EU and MS activities is needed to ensure consistency and coherence in the EU's external relations with key producer, transit and consumer countries.

CASE STUDY: RURITANIA

Ruritania is obliged to reduce CO₂ emissions through increased use of RES in energy production. By 201X+8, energy from renewable sources must account for 15% of gross final energy consumption in Ruritania. However, to date, it is still not clear whether Ruritania will meet the targets. The Ruritanian grid infrastructure is currently in a poor condition. Together with a lack of development plans, this results in a lack of access to information on connection possibilities. In addition, investors are obliged to pay a fee to connect to the grid.

RES SUPPORT SCHEMES

- **Electricity sector:**
 - The stability of the green certificate¹ system is guaranteed from 201X-1 to 201X+5 (inclusive) for producers of electricity from RES connected to the grid. The obligation to purchase the certificates, for any given year, constitutes a required percentage share of green electricity in the amount of total energy an energy company supplies to end users.
 - Article 9 of the Law on Energy does not give a precise description of the amount of the connection fee collected by the operator – at present, fees can differ for the same RES.
- **Heating and Cooling sector:** there are no support measures for RES-H&C except the guarantee mechanism of purchasing heat if an RES unit is connected to the heat network.
- **Transport sector:** biofuels are currently promoted through a system of exemptions and tax reductions. There are plans to increase demand for liquid biofuels by developing parking fee exemptions for vehicles powered by biofuels and by imposing an obligation to use biofuel-powered cars in the public sector. An exemption from charges on air pollutants for vehicles using liquid biofuels is also planned.

1 Confirms that the electricity was generated via RES. The property rights deriving from the certificates are marketable constituting an exchangeable commodity after they have been recorded. Thus, additional income from selling the certificates is provided for RES producers.



- **In general:**
 - Environmental fund subsidies and tax concessions stimulate RES. However, these measures concern only a small group of beneficiaries and do not affect individual consumers.
 - Long and complicated administrative and legal procedures for investment projects related to grid development, especially line infrastructure investment.
 - It is important to investigate which RES are the most promising in Ruritania, so that investment can be targeted and effective.

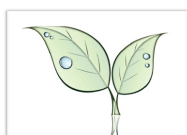
The image shows a screenshot of a web browser window displaying the mission page of the Agency for the Cooperation of Energy Regulators (ACER). The browser's address bar shows the URL <http://www.acer.com>. The page features a blue header with the ACER logo on the right and navigation buttons for 'Mission', 'News', 'Press', and 'Archive'. The main content area is titled 'MISSION' and contains the following text:

ACER's mission is to assist NRA in performing, at the level of the European Union, the regulatory tasks that they carry out in the MS and, where necessary, to coordinate their action.

ACER cooperates closely with EU institutions, European stakeholders' associations and market participants, especially ENTSO, to provide a series of instruments for the completion of a single integrated EU energy market.

ACER's principle tasks are:

- Supporting EU energy market integration: this it does mainly through the development of a common network and market rules, as well as by coordinating of regional initiatives that involve concrete efforts by energy market participants to work towards greater integration;
- Advising EU institutions on trans-European Energy infrastructure issues;
- Energy market monitoring.



Subject: Future of renewable energy markets

An integrated market would not lead to a price increase. The opposite is true. At present national authorities often protect their own interests and they should therefore be supervised. We live in the EU – there should only be one integrated energy market. Only then can the rules and prices be the same for everyone.

Posted by Carla Jones on 15/05/201X - 14:03

It is not true that an integrated market would prevent electricity prices from rising. While it might seem as if there was more competition in the beginning, this would ultimately be negative for consumers, as prices would increase anyway. Furthermore, it is naive to think that an integrated market would automatically increase security of supply. It can help of course, but other means will be necessary.

Posted by Pieter Geerkeens on 13/05/201X - 15:33

I agree with Johanna. In addition, I believe further progress should be made to separate fully producers from suppliers in the overall transmission system: an integrated energy market should be a strategic instrument giving EU citizens, as consumers a choice between the different companies supplying gas and electricity at reasonable prices, and making the market accessible for all suppliers. Most importantly, the EU could monitor energy prices, something that is not always done at present.

Posted by Hugo Matthijnsen on 13/05/201X - 13:57

Smart grids seem promising, but should not be the only technique promoted. In my view, relying on only a few energy sources is not an option, as the possibility of disruption is too great.

Posted by Johanna Cassier on 13/05/201X - 12:44

I do not think that keeping the old system is an option, but using smart grids without collecting data would be even more absurd. Instead, there should be a guarantee that the consumption data recorded can only be used after it has been made anonymous.

Posted by Liam Dujardin on 13/05/201X - 07:35

I disagree with the argument that smart grids are dangerous. As a matter of fact, the internet poses far greater risks than smart grids do, yet everyone still uses it. Whereas the internet contains countless forms of information, smart grids only record information on energy consumption. If people have problems with that, they should just keep using the old system. Furthermore, what consumers do not know will not hurt them; the real problem with smart grids is the cost that will be transferred to the consumers. Instead of making consumers pay for renewable energy technologies, governments should reward them.

Posted by Laurent Deboursu on 12/05/201X - 18:08

In my opinion, a single, integrated renewable-energy market would bring considerable benefits for Europe in terms of price and cost reductions, as well as in labour productivity gains. However, this should not be combined with the use of smart grids. The industry always emphasises on the advantages without ever mentioning the risks of identity theft, personal behavioural patterns being recorded and real-time surveillance.

Posted by Jules Destopere on 12/05/201X - 13:06

It is not just a question of integrating energy markets or not. First, the EU needs to make sure that it can provide enough energy from its own energy plants to guarantee supply so that energy imports are no longer necessary. Smart grids are not a good idea; they leave consumers vulnerable to criminal activity and to the misuse of their personal data.

Posted by Matthew Laurie on 12/05/201X - 12:45

How green are the green energy markets?

As we have now passed the halfway point in the challenge to meet the EU 201X+8 target, this is the ideal moment to evaluate the state of play.

Although European leaders are positive about meeting the targets, the truth seems to be somewhat less rosy. The European energy market is still fragmented, which limits benefits such as the lower costs, and the encouragement of energy efficiency and investment that energy market competition can bring.

Member of the European Parliament David Reynolds argues that smart grids are promising because they can be installed on a European scale. However, smart grids apparently have much higher capital costs than fuel costs – costs that will be transferred to the consumer.

Although more and more consumers recognise the importance of sustainability and green energy, it is difficult for them to know how 'green' that green energy is, which might make them hesitant about using smart grid technology.



Unless the conditions of transparency, accessibility and choice on the energy market can be fulfilled, consumers will not be convinced of the importance of smart grids in an integrated energy market.

T.B.

European Times of 02.10.201X-1

© 201X-1

Opinion of Professor Biorilo – Environmental Economics

When promoting RES, any support scheme should have sufficient beneficiaries. Moreover, short-term measures should not become a barrier to investors. Additionally, everyone should be treated equally and in a transparent way, so that no doubts exist about grid connection for example. Otherwise, consumer confidence will never be fully gained and RES will never really become the standard.



Energy Industry Association



Position paper: smart grids

Smart grids are the only way forward to increase energy efficiency and to guarantee security of supply. In addition, they will help consumers adapt their energy usage to reduce wastage, lower their monthly bills and use power in a more sustainable way. Furthermore, MS will benefit from the advantages of smart grids as they will be safer, more secure and more reliable, and will reduce dependency on foreign energy supplies. Smart grids will also reduce carbon emissions and combat global warming.

However, consumers need to understand that such technologies come at a price. They need to be aware that it is very expensive to develop smart grids and to interconnect them all over the EU. Therefore, if they want to take advantage of the new technologies, consumers need to pay their share. In addition, consumers need to be aware of the fact that, in order for them to use and take advantage of smart grids, it will be necessary to collect data from them; otherwise, it will be impossible to increase the efficiency of energy supply. Users should trust the suppliers not to want to use the data for any other purpose.

Another difficulty lies in the integration of 27 different energy markets, each with its own characteristics and specific legislation. A thorough knowledge of all those specifications is needed before everything can be put together. A lack of transparency and blocked access to energy grids are preventing suppliers from competing on the market. Moreover, how can energy infrastructure be installed if countries concentrate only on their own policies, supplies, research into renewable energy, etc.? These duplicated efforts also make energy more expensive. Instead, the governments of all MS need to cooperate with the energy industry so that knowledge can be shared and the duplication of efforts avoided.

Instead of just imposing rules on traders, discussions need to take place first. Therefore, contacts with importing countries and traders need to be improved.

From: Thomas Greenland, Member, Building Sustainability
To: Patrick Huysman, Administrator, Renewables Unit, DG Energy
Cc:
Date: 29/07/201X
Subject: EU 201X+8 targets

Dear Mr Huysman,

We want to share some thoughts with you on the future of the European energy market(s). We have had several meetings on this subject, and we think we can provide valuable input.

We believe that in order to encourage enough growth in decentralised energy production to ensure that the 201X+8 targets are reached on time, it is essential for the various public authorities to engage in a sufficient amount of joined-up thinking. We also believe that the energy market should move away from inefficient centralised power generation.

Additionally, we think that the EU is very dependent on energy imports and that this dependency continues to grow because it is impossible to produce the necessary energy within the EU. Therefore, the risks related to dependency need to be countered via reliable partnerships with supplier, transit and consumer countries. We think that ACER should take the lead in this, as it is inefficient to have several organisations pursuing their own agendas. If one organisation decides, the rest can follow.

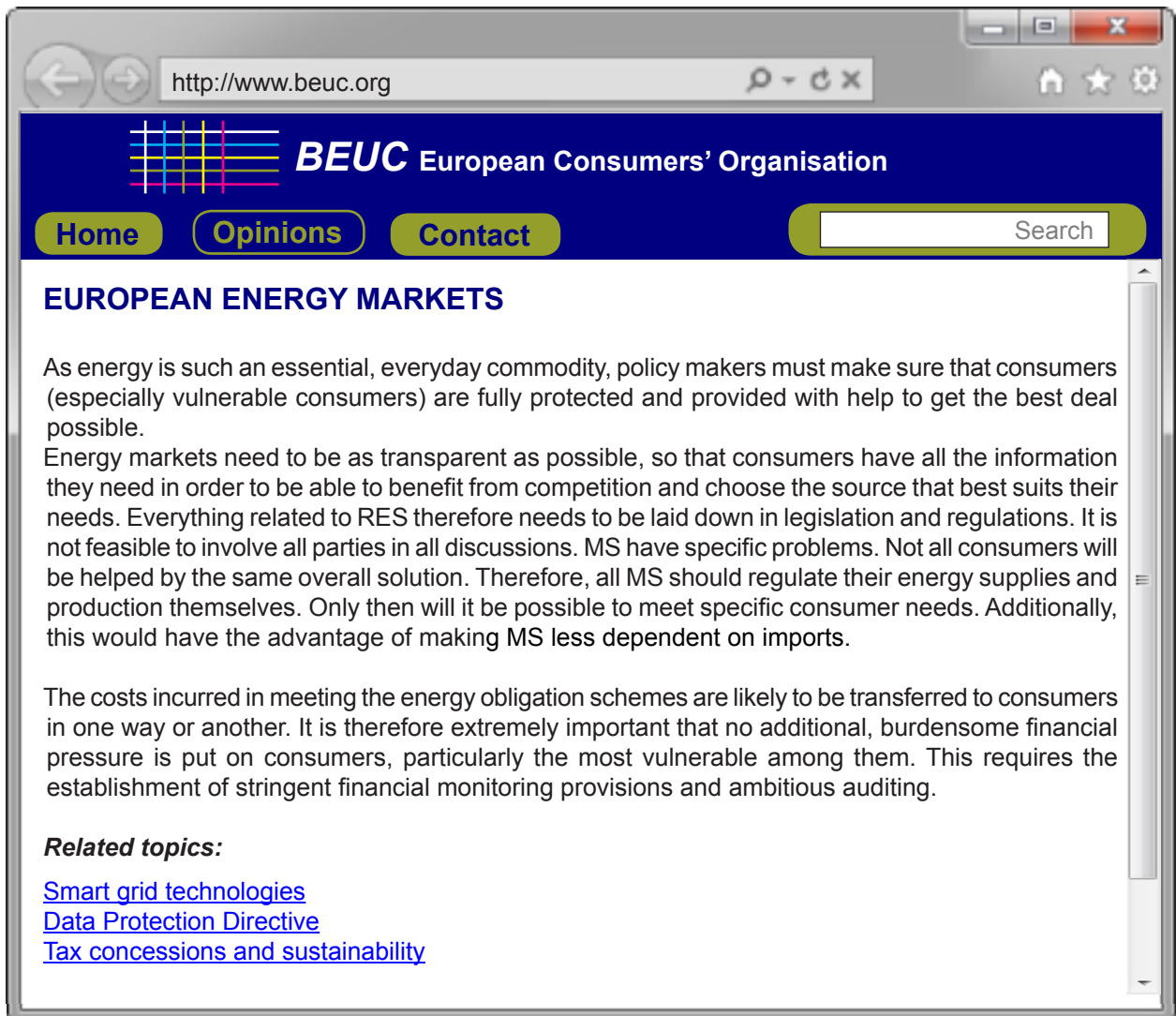
In some MS, the obligation to purchase green certificates might discourage new investors, as this system will only be attractive if it remains in operation for a sufficiently long period of time. Consequently, for all RES that will contribute to the targets, a guarantee needs to be given that green certificates can be sold at a minimum price or over a period of at least 15 years to give investors an opportunity to recuperate their investments.

We would like to explain our ideas in more detail during a meeting. When would best suit you?

Thank you in advance!

Kind regards,

Thomas Greenland





Directive 201X-17/46/EC on the protection of individuals with regards to the processing of personal data and on the free movement of such data

[...]

Article 2

(a) ‘personal data’ shall mean any information relating to an identified or identifiable natural person (‘data subject’); an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to their physical, psychological, mental, economic, cultural or social identity.

(b) ‘processing of personal data’ shall mean any operation or set of operations which is performed upon personal data, whether or not by automatic means such as collection, recording, organisation, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available alignment or combination, blocking, erasure or destruction.

[...]



**University of
Manchester**

MAIL MESSAGE

From: Josephine Deleu, Student Energy Sciences, University of Manchester
To: Patrick Huysman, Administrator, Renewables Unit, DG Energy
Cc:
Date: 09/05/201X
Subject: Question on energy markets

Dear Mr Huysman,

I am working on a paper on the EU energy markets. My starting point is that it is best to have centralised energy production and supply, as every MS has its own specific energy prices. I was wondering if you could provide me with more information related to this.

In addition, I read on the internet that global energy demand is growing rapidly and that the EU, as the world's biggest importer, will face increasing competition for fossil fuels. I think a more diverse mix of techniques, energy sources, suppliers, transport routes and mechanisms should therefore be promoted. In that way, there would be less dependence on energy imports and citizens would become less vulnerable to supply disruptions. Do you have any more information on this?

Thank you in advance.

Kind regards,

Josephine Deleu



MAIL MESSAGE

From: Karlos Fiorini, Greenpeace
To: Patrick Huysman, Administrator, Renewables Unit, DG Energy
Cc:
Date: 12/06/201X
Subject: Energy Conference

Dear Mr Huysman,

I saw your presentation on the future of energy markets during the Energy Conference last week. Although I must say that I found it very interesting, I do not agree with you. In my opinion, securing supply is not simply a matter of facilitating energy imports. Instead, the demand for 'dirty' energy needs to be reduced and investments need to be made in RES.

Concretely:

- No more 'dirty' energy: all plans for 'dirty' energy power plants should be scrapped. The world simply cannot afford to go in the wrong direction any longer.
- Stop fossil fuel subsidies: governments should no longer encourage coal and nuclear energy with interest-free loans and massive subsidies.
- Investments in Research and Development for RES.
- Consumers need to be convinced: at first, it might seem to consumers and MS that RES technologies represent only extra costs, but once they start using them, they will see the advantages.

I would like to discuss this with you in greater detail; when would suit you best?

Kind regards,

Karlos Fiorini

PROJECT TEAM

Date and time:	15/07/201X – 14.00–16.30
Project:	215843151414
Attendees:	Molnar Dacso, Ludwika Kozłowska
Topics:	Brainstorming: advice to Ruritania on 201X+8 targets

TOPICS

Brainstorming: advice to Ruritania on 201X+8 targets

- It is important to focus on one support scheme that functions well; otherwise, consumers and investors become confused and do not know what is most beneficial to use. For example, there is no point in extending the period for green certificates; it is better to focus on tax concessions instead.
- There needs to be investment in all RES to make sure that enough progress can be made and that Ruritania can meet its targets; too much effort is better than not reaching the targets.