

Interview Claude Turmes

‘The European Parliament will not allow loopholes’

Claude Turmes, the European Parliament’s foremost energy watchdog, is confident that the European Commission’s ambitious climate package and energy liberalisation package will be adopted by the Parliament on time. ‘We are in control of the situation.’



| by *Hughes Belin*

Claude Turmes, born in 1960 in Luxembourg, has been the European Parliament's most respected energy expert for nine years as a member of the Green Group, and is a prominent figure in the EP's Industry Committee. He was rapporteur on the 2003 electricity directive and is now rapporteur on the renewables directive within the climate-energy package. Although he has outspoken environmentalist views, his extensive knowledge of the energy sector makes him a well-respected figure in the European Assembly, where he works relentlessly at strengthening the European Commission's proposals. As an experienced negotiator, he is reasonably optimistic about the adoption of the climate-energy and liberalisation packages, despite the lack of consensus among European decision makers. European Energy Review asked him where he believes we stand on EU energy and climate policy and what still needs to be done.

What is your vision of the future's ideal energy policy?

'We are at a crossroads. As a reaction to high oil prices, we could either go back to very risky non-sustainable energies like nuclear or conventional coal, which could lead to nuclear proliferation on the one hand or escalating climate change on the other. Or we could jump into 21st century energy technologies and increased energy intelligence, such as more intelligent buildings, mass consumer goods, cars, electric processes and engines, better organised public transport and better logistics chains. The reduced demand could then be met with a very high amount of renewables.'

In which areas would you imagine renewable projects of interest to Europe?

'I see four. The first is a program on renovation of the existing building stock, district heating and phasing in biomass into this district heating. This is the policy we need for northern and central Europe and all the way east up to Ukraine. Then, we have a second powerhouse that is the North Sea: transforming the North Sea from the oil and gas sea of today into tomorrow's sea where we harvest a huge amount of offshore wind and on top of it, marine energies. The third project is a partnership in southern Europe: solar photovoltaics and solar thermoelectric. We now have up to 16 projects in Spain today and we will have more tomorrow in Morocco, in Algeria, in Libya and in Egypt. And there is a fourth project that is a strategic partnership between Europe and its cities and regions. This is Jeremy Rifkin's model of a decentralized energy system; highly renewable, highly efficient and connected with internet-like distribution systems, plus a reorganisation of our cities based on urban transport.'

Your vision does not seem to be shared by world leaders.

'I wouldn't be so pessimistic. Recently we had a chat with European Commission President José Manuel Barroso when he

came back from the G8. He told us that all leaders of the G8, plus the five big emerging economies, plus the directors of IMF, World Bank and International Energy Agency all agree that we have a structural problem with energy. We have a model where the margin between supply and demand will be tight. Hence the need for change.'

You were not that optimistic during the last EU summit in June.

'I basically told EU leaders 'don't be tough and stupid, but be smart and bold'. Tough and stupid means making decisions such as going back to nuclear – tough because you have to do it against the citizens' wishes – or even trying to bring back coal. Such decisions could occur if you have leaders who are not well-informed about the facts of energy policy and heavily subjected to lobbyists. There is a smart way to get out of today's crisis: taking up the technological progress we have made in the designing of refrigerators, houses, cars and combining it with all the technological progress we have in renewables.'

Do you think that the necessary change in paradigm has been integrated into political decisions?

'If the European climate-change package is successfully adopted by European Parliament and the Council of European Ministers, then yes, we are making a paradigm shift. However, this will not be easy because the dirty-industry lobbyists – be it car manufacturers, the coal industry, the nuclear industry or other energy-intensive industries – will try to prevent this.'

Do you believe the rumours of German attempts to kill the European climate-change package?

'We are confronted with a very powerful lobbying effort from the German car, chemical and steel industries, and the big power companies. They have the support of the German Minister

'We will come up with a compromise on the biofuel issue'

of Economy Michael Gloss, and members of the European People's Party (who are conservatives) in the European Parliament.'

Some say that the market can solve everything.

'The market can only deliver if the prices also reflect the scarcity of resources and the damage to the environment. And our problem is that every time we try to bring price veracity to the market, the very advocates of the free market, the conservatives and the right wing, prevent us from doing it. The European emission trading system (ETS) could deliver, provided that this time there are no loopholes – but this will depend on the policy framework. Having said that, we must also have areas of policy

with tough regulations. It is much cheaper to achieve innovation through regulations than with market-driven instruments.'

Is this where the "European added value" lies?

'In an environment where you have multinationals and powerful cross-national oligopolies, it is clear that national member states definitely do not have the critical mass to regulate these mastodons. Therefore Europe's added value must reach the level of policy making. Strict regulations must be imposed on the big energy oligopolies to enable competition. And a framework of environmental rules must be provided. I also favour a moratorium on coal-fired power plants.'

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Do you think that, given the time left until the next European elections, we can have both climate-change and energy-liberalisation packages?

'I think we are on track to have both of them. On gas, I think Germany and France and the big European gas companies will win and retain control of the gas pipelines, unfortunately. On the electricity market, however, I think that there is an erosion of the opposition by the German and French dominating power companies like Eon, RWE and EDF on the ownership unbundling. On the third issue, the regulatory agency, the Parliament has a very strong position and I think we are in a good position to negotiate in front of the Ministers. The question is whether we are able to defeat some of the powerful energy oligopolies and I am relatively optimistic on this. With the renewables directive, we are also well on track. We will vote in the Industry Committee in September with a huge majority on almost all the points that I have proposed in my report.'

But there are more than a thousand amendments to incorporate!

'We are in control of the situation and we will combine the amendments, which will strengthen the proposal I have made. The Parliament will not allow loopholes in the 20% target. The Parliament will ask for strict and ambitious national action plans. The Parliament will come up with a regime that will stabilise the national support for renewables while allowing some transfers on the final 1-2% that certain countries will need in order to fulfil their targets. We will move away from the Commission's proposal on guarantee of origin, which has no sound legal basis. We will strengthen access to infrastructure. We will ease authorisations. We will come up with a compromise on the biofuel issue.'

Does it imply a review of the 10% biofuels target?

'Today it is almost impossible to say "Look, you can do 10% in a sustainable way". All the information about indirect land-

use change and the huge CO₂ emissions that are triggered by it, about rocketing prices of certain crops linked to biofuels, tells us to be more cautious. I propose to have a 4% target in 2015. We have a 5.75% target in 2010 so we have to move back from such an ambitious target and have a review in 2013 or 2014.'

Don't you feel this anti-biofuels campaign is of benefit to oil and gas?

'We should not be naïve. Behind those who oppose biofuels you have vested interests like oil business and even worse, the Nestlés and Unilevers who do not want competition for their cheap biomass. Above all, they do not want sustainability criteria for biofuels because the day when there will be sustainability criteria for palm-oil energy we will have sustainability for palm-oil margarine. 90% of the rainforest cut down in Indonesia is for margarine, not energy production. On the other hand we have also NGOs, which are independent, we have international organisations like the World Bank, we have European bodies like the European Environmental Agency (EEA), like the Joint Research Centre (JRC) of the European Commission, and so forth. So I do not give in to Unilever and Nestlé.'

What is your message to the EU leaders on oil price hikes?

'First, let's tax speculators and the huge windfall profits of oil, gas and utilities and use that money to help combat energy poverty. Channel revenues from these undue profits to the 10 to 20% of citizens in our countries who have difficulty coping with high prices. Second, develop and increase energy efficiency. We can do this in cars through stricter legislation and by promoting public transport. We can also promote all kinds of consumer goods that consume less energy and by launching Building 21, a program to accelerate the renovation of buildings in Europe. The latter should be co-financed by European structural funds and by the European Investment Bank (EIB) to minimise the cost to the citizens. This would be a counter-cyclical investment at a time when the building industry in Europe is in crisis.'

EU Commissioner for energy Andris Piebalgs said his greatest priority was energy efficiency. Is he right?

'Energy efficiency is definitely the priority of the priorities. It is by far what can best deliver, both in terms of stopping climate change and increasing energy security. Our dependency on oil and gas can only be solved by more efficient cars, more efficient logistics, more efficient buildings. Unfortunately, Mr. Piebalgs made a big mistake by not pushing the 20% target on energy efficiency as high as the target on renewables and on CO₂ reduction. This is a major strategic error and we have to correct it together in the October release of the Second Strategic Energy Review, which will focus on energy security. I propose that we broaden this from "energy security" to "energy and climate security" and that we put energy efficiency first, renewables second and a common gas policy third. Mr Piebalgs has a second chance to do it better.' ■