

The Spanish Energy Policy & Spanish Presidency of the EU

TRENDS IN THE EUROPEAN ENERGY INDUSTRY CONFERENCE

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20 September 2010



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- ❑ **Spanish Energy Sector**
- ❑ Main Challenges for the Spanish Energy Policy
- ❑ Spanish Energy Policy Mechanisms
- ❑ Spanish Presidency of the EU

Electricity: Iberian Market. MIBEL

A long process:

- 2001: First negotiations
- 2004: Santiago de Compostela International Treaty
- 1st July 2006: OMIP (forward market)
- 1st July 2007: OMEL (spot market)
- Braga Summit 2008: Modification of the Santiago Treaty



Successful Market Integration

Electricity: Iberian Market. MIBEL

46 Mill. Consumers

251,3 TWh_93 GW

57,3 Mill. Consumers

301,9 TWh - 108 GW

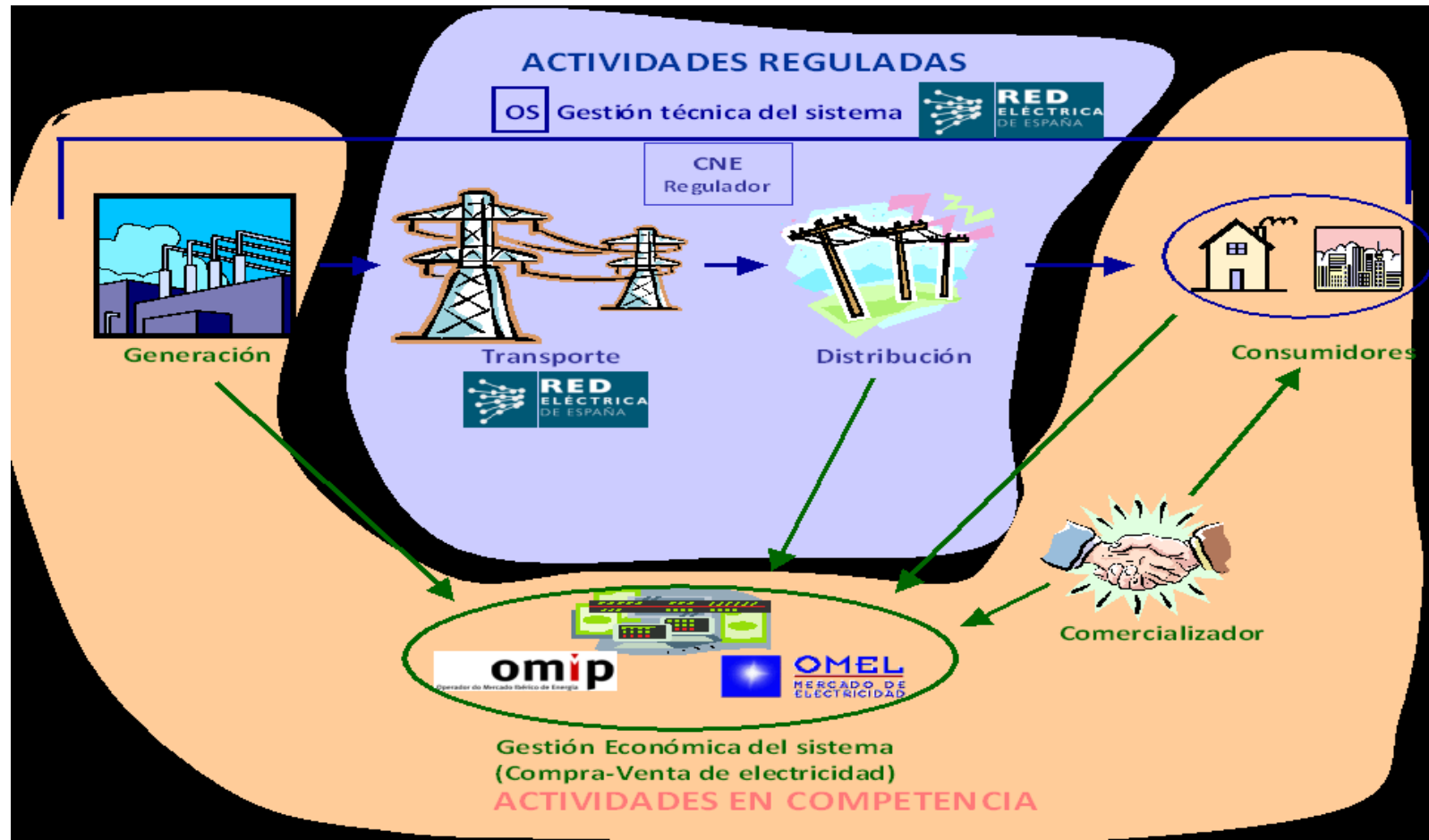
11,3 Mill. Consumers

50,6 TWh_15 GW

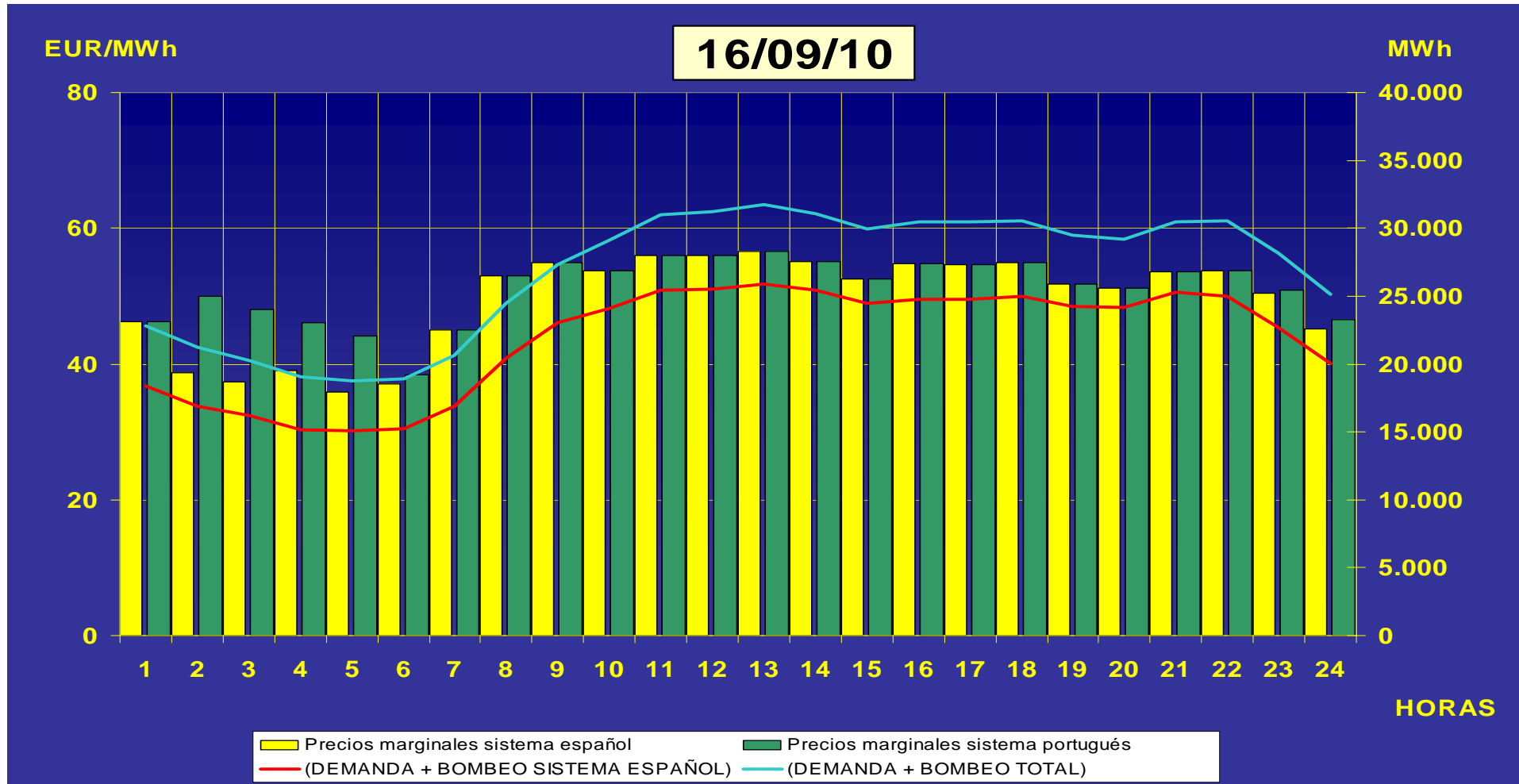
Opportunities

- Enhance Security of Supply
- Become a transit market between North Africa and the EU.
- Higher efficiency thanks to increased competition.
- Technological Cooperation in the renewables field.

Electricity Sector System



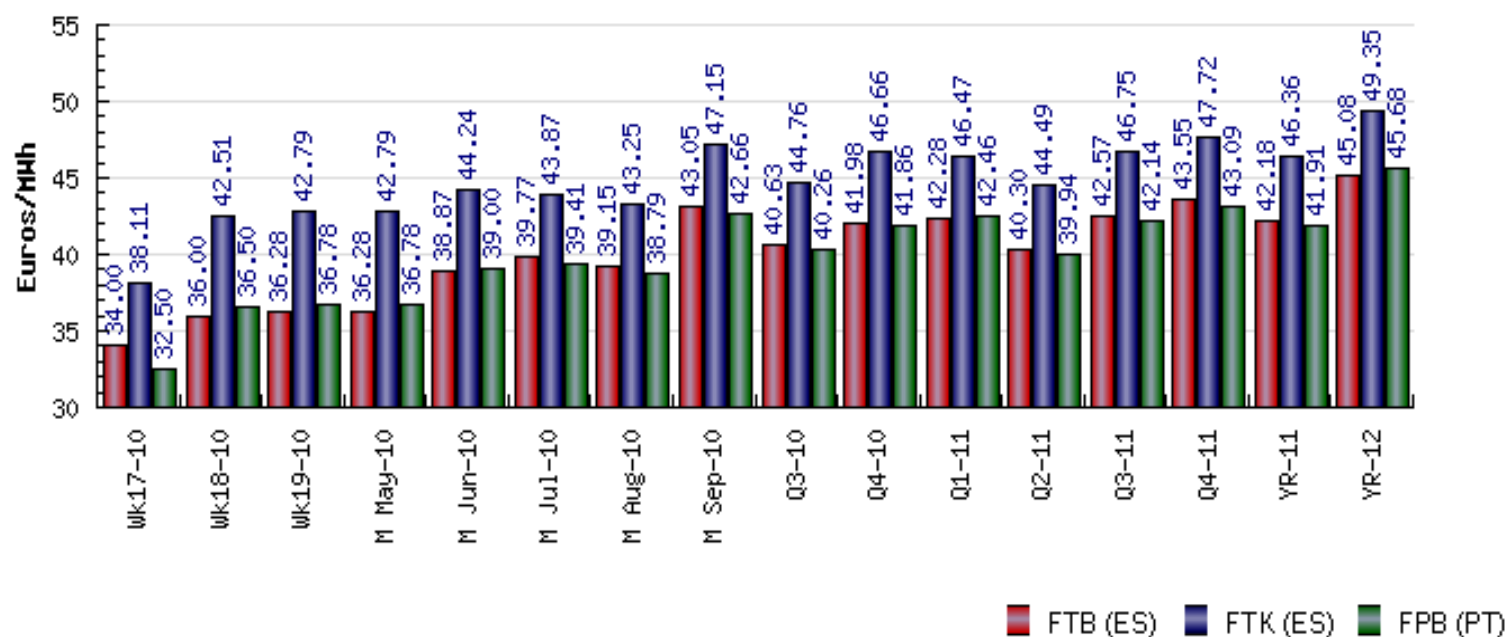
Electricity: Day Ahead Market



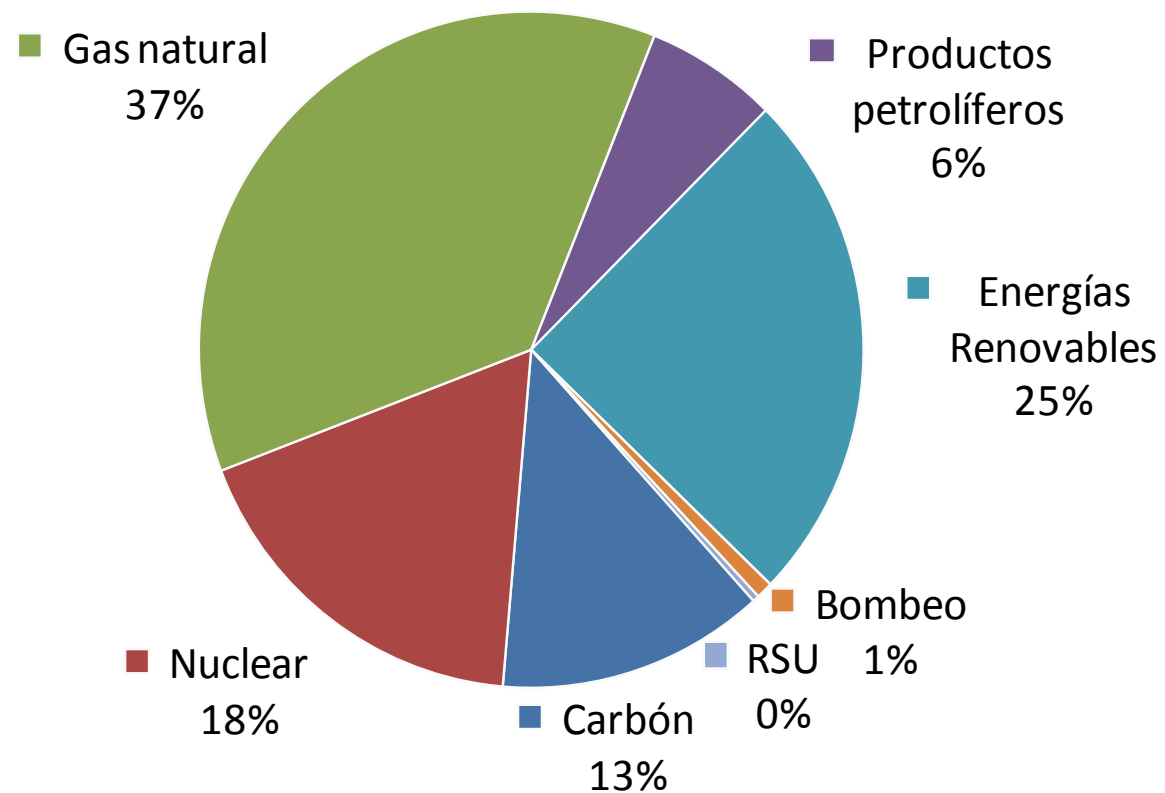
Electricity: Forward Market

OMIP MARKET

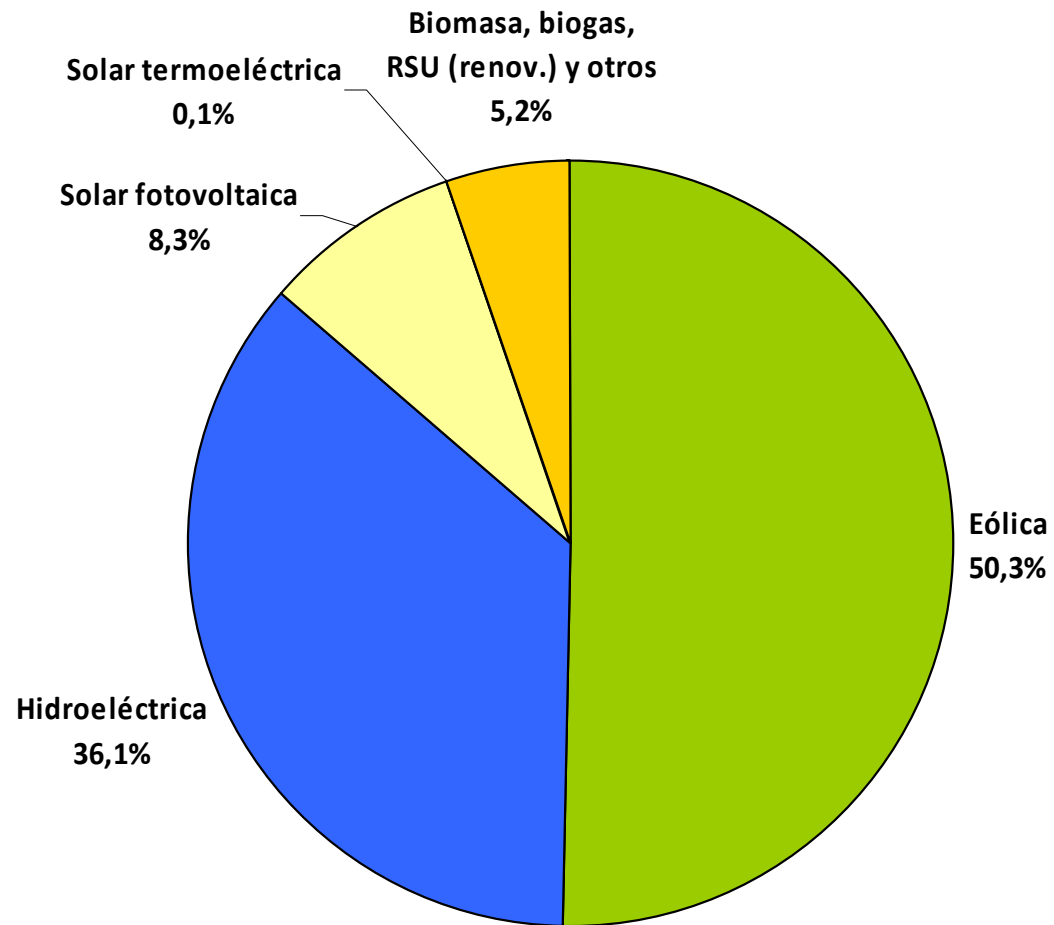
Futures Settlement Price (2010-04-19)



Electricity Mix 2009

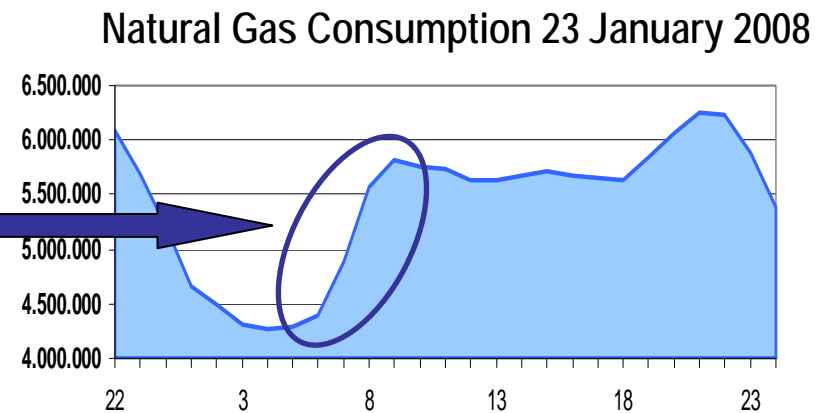
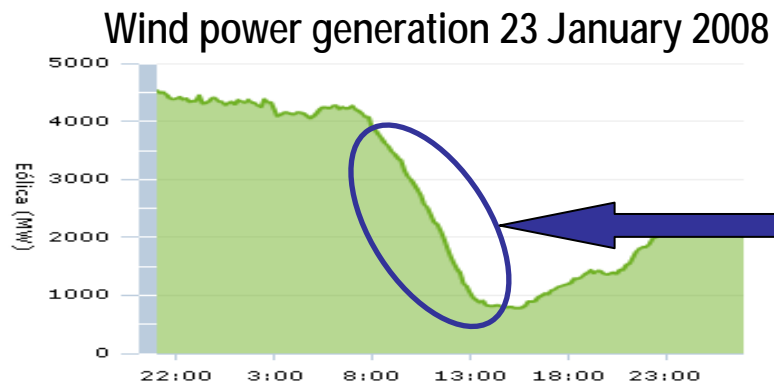


Renewable energies Mix 2009



Electricity: Renewables

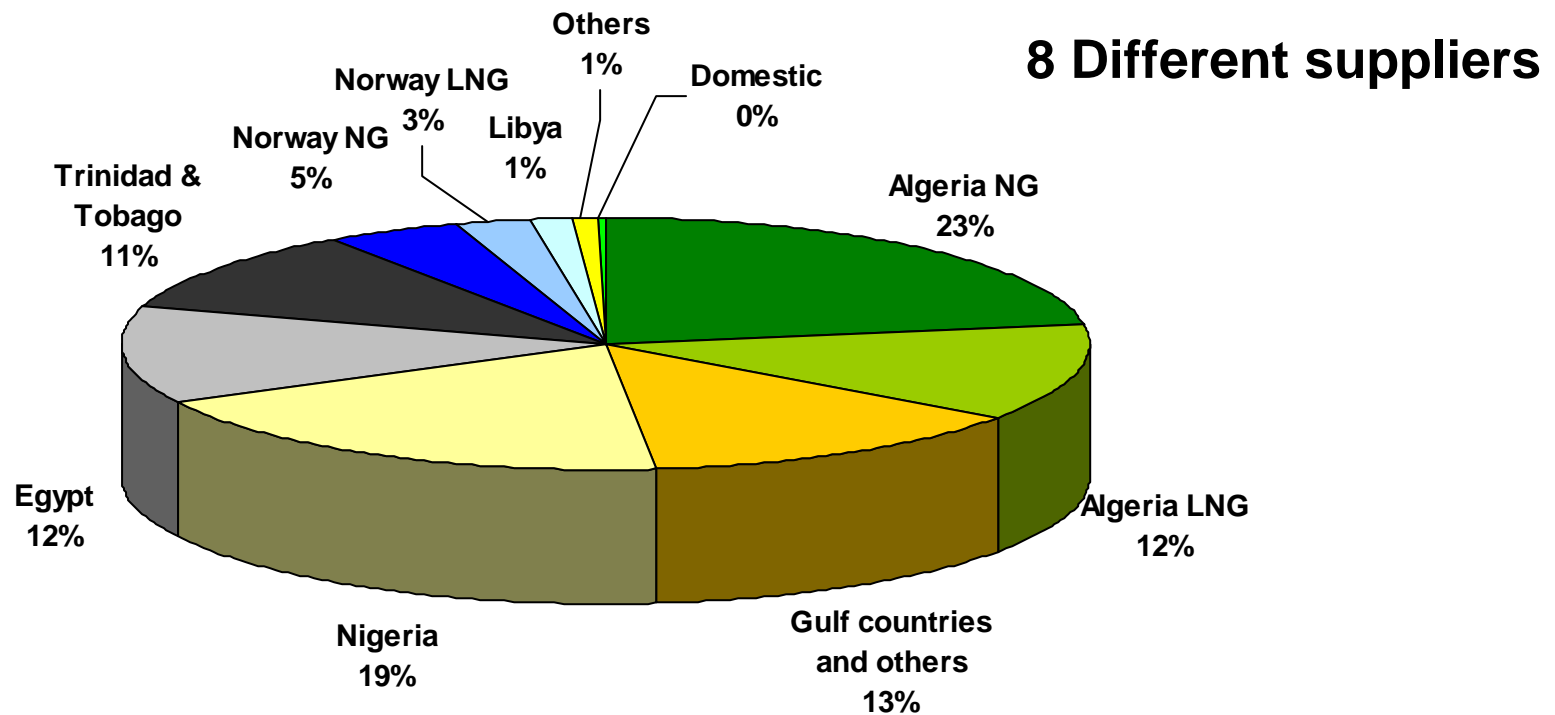
RELIABILITY of the System: back-up technologies and integration of renewables



- **Renewable Energy Control Centre (CECRE)**
 - Worldwide pioneering initiative
 - Monitor electricity generated by renewable energy sources

Natural Gas supplies by origin. Diversification

Spanish natural gas supplies in 2009:

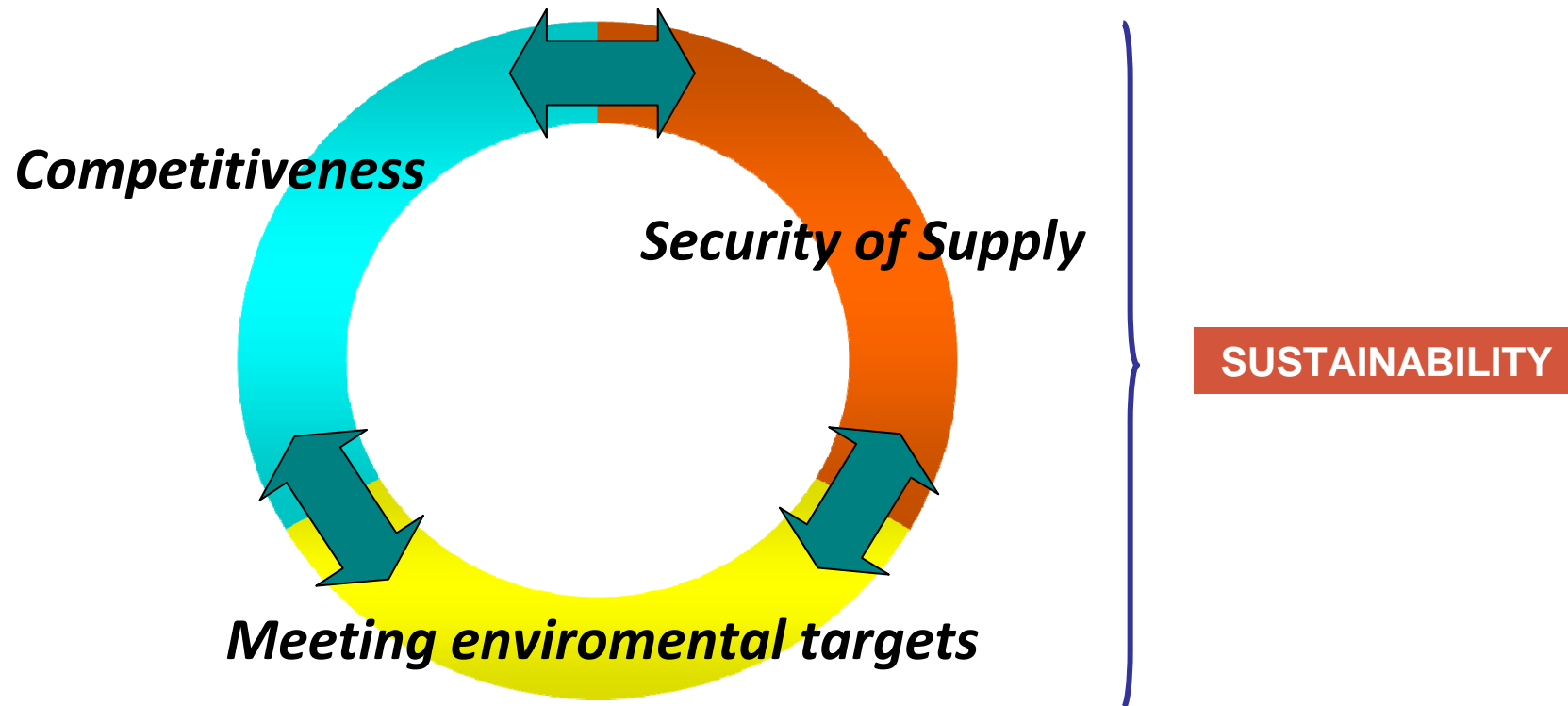


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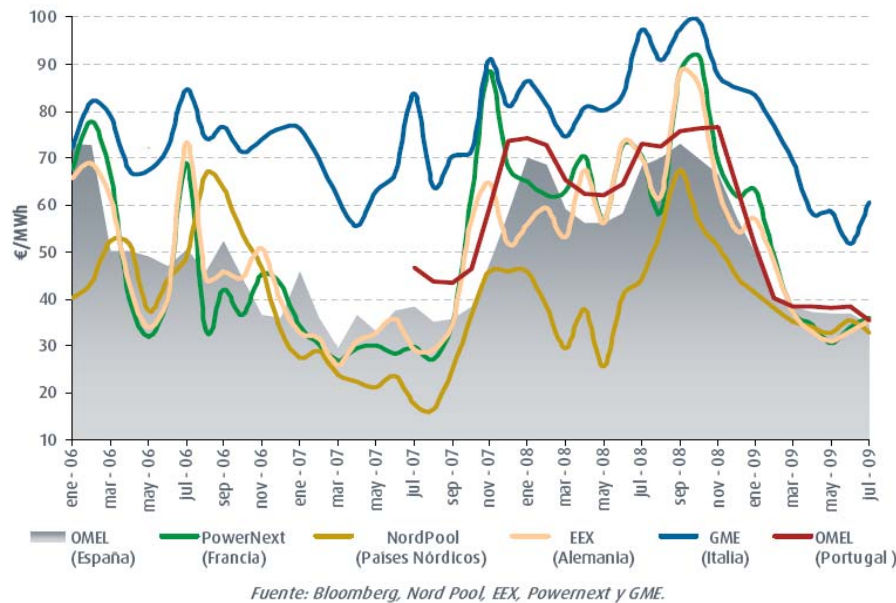
Challenges for the Spanish Energy Policy

Energy Policy Goals

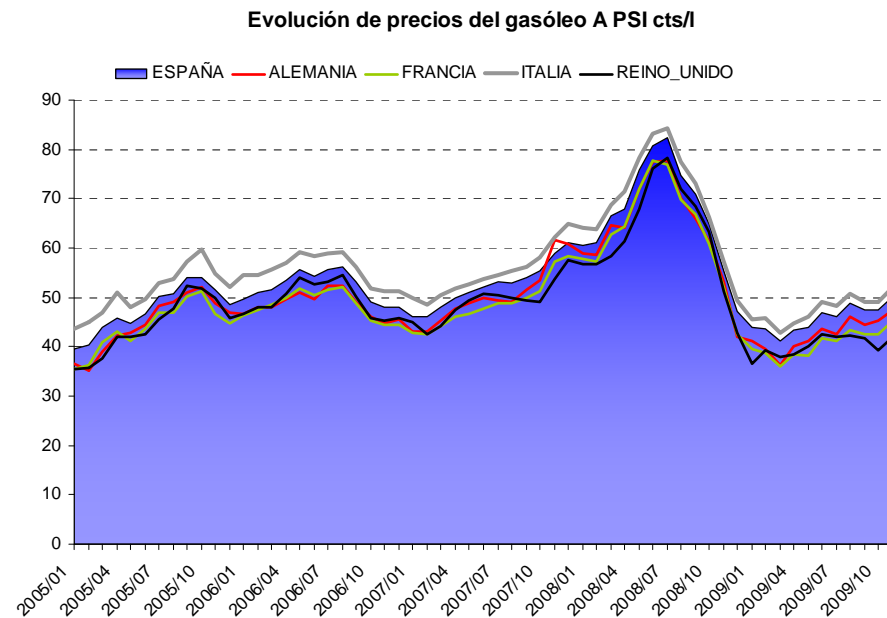


Challenges for the Spanish Energy Policy: Competitiveness

Electricity prices evolution



Hydrocarbons prices evolution



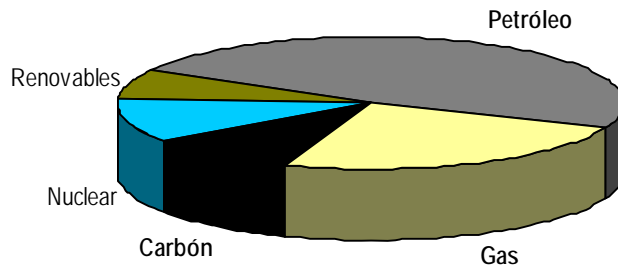
Energy prices determine the competitiveness of other sectors of the economy

Challenges for the Spanish Energy Policy: Security of Supply

Dependence on fossil fuels.

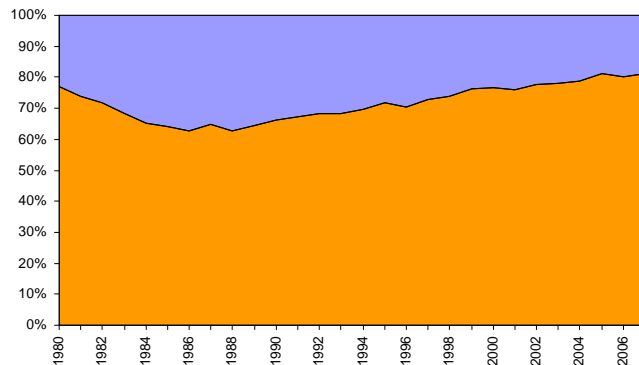
Fossil fuels are the main energy source in Spain

Primary energy sources in Spain (2009)



High dependence: About 80% of the energy used comes from abroad.

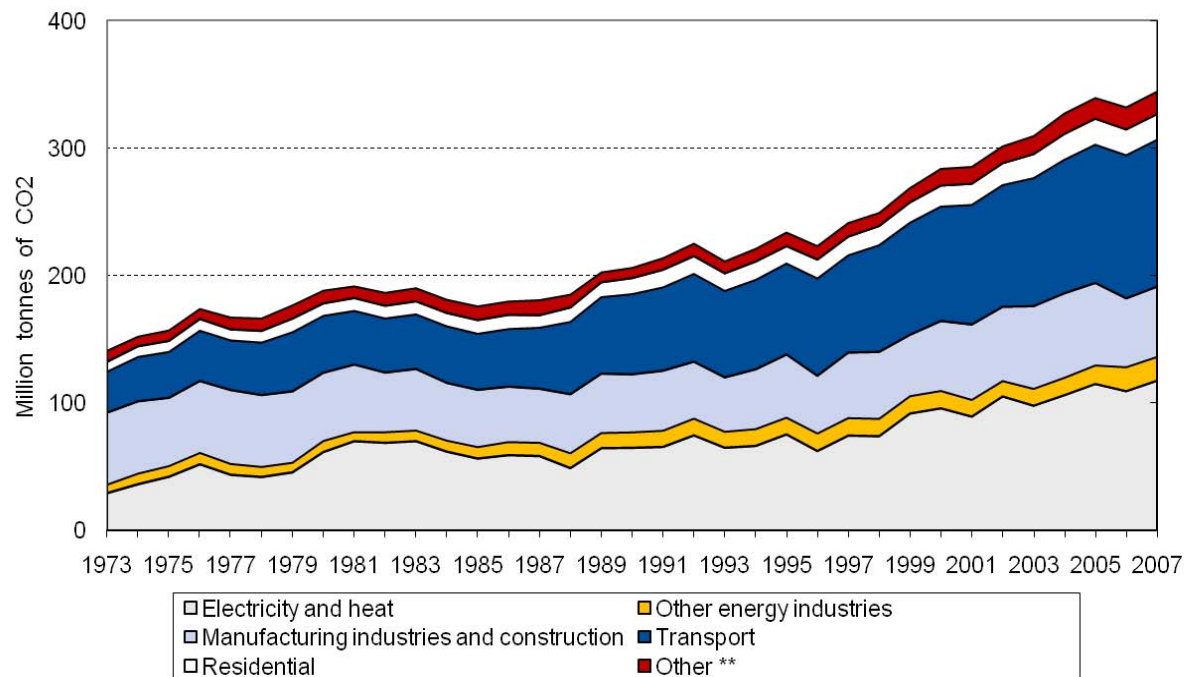
Energy Self-sufficiency in Spain



The Spanish energy dependence has worsened since 1986

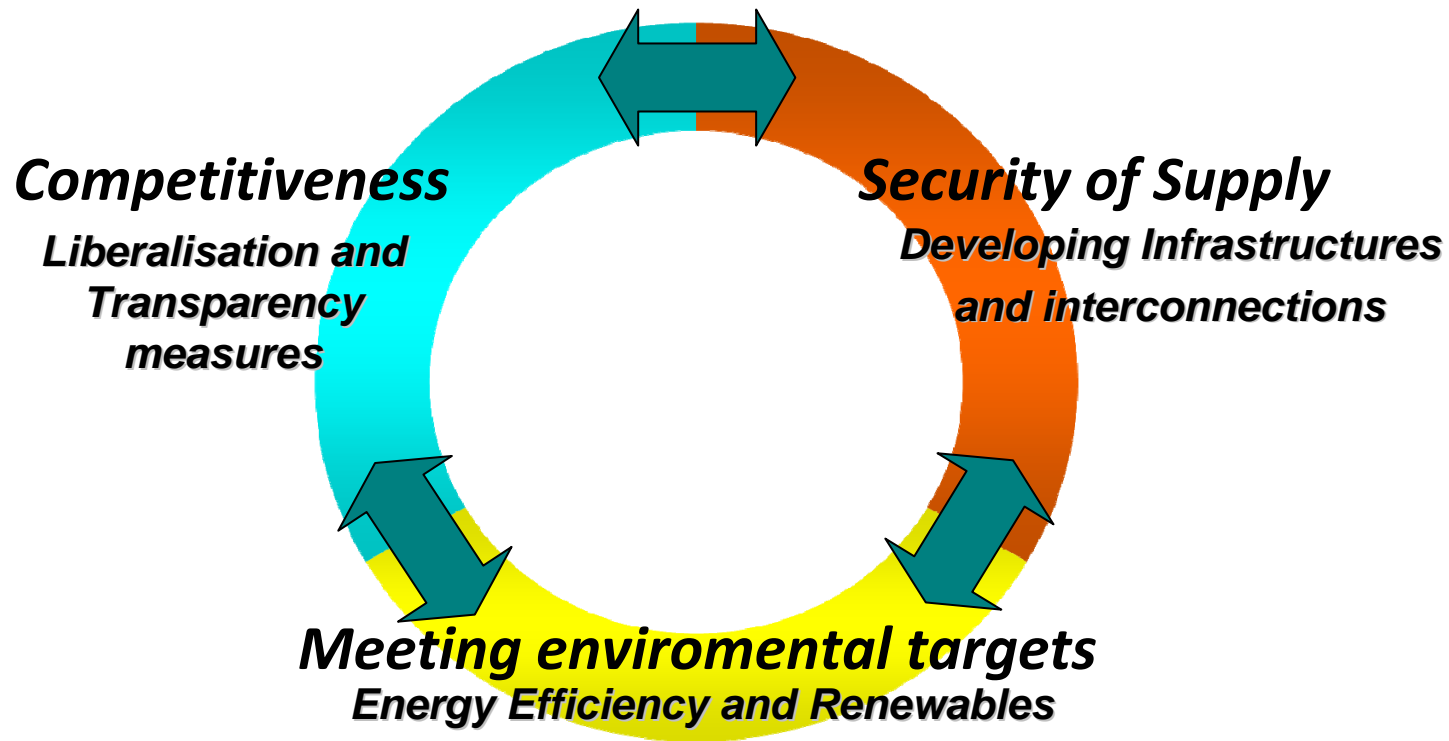
Challenges for the Spanish Energy Policy: Meeting Environmental Targets

80% of GHG emissions comes from the energy sector



Spanish Energy Policy Mechanisms

Energy Policy Mechanisms



Spanish Energy Policy Mechanisms: Improving Competitiveness

Liberalisation and Transparency Measures

Natural Gas Market

Measures undertaken

- The market has been liberalised
- Market segment tariffs have been removed for non-industrial SME's and big domestic consumers from 1 July 2009
- Around 98% of demand is in the liberalized market
- Creation of a provider switching office

Electricity Market

Measures undertaken

- All integral tariffs were removed on 1 July 2009, fixing the threshold for last resort supply in 10kW
- Creation of Social Tariff
- Around 70% of demand is in the liberalized market
- Solution to tariff deficit
- Creation of a provider switching office

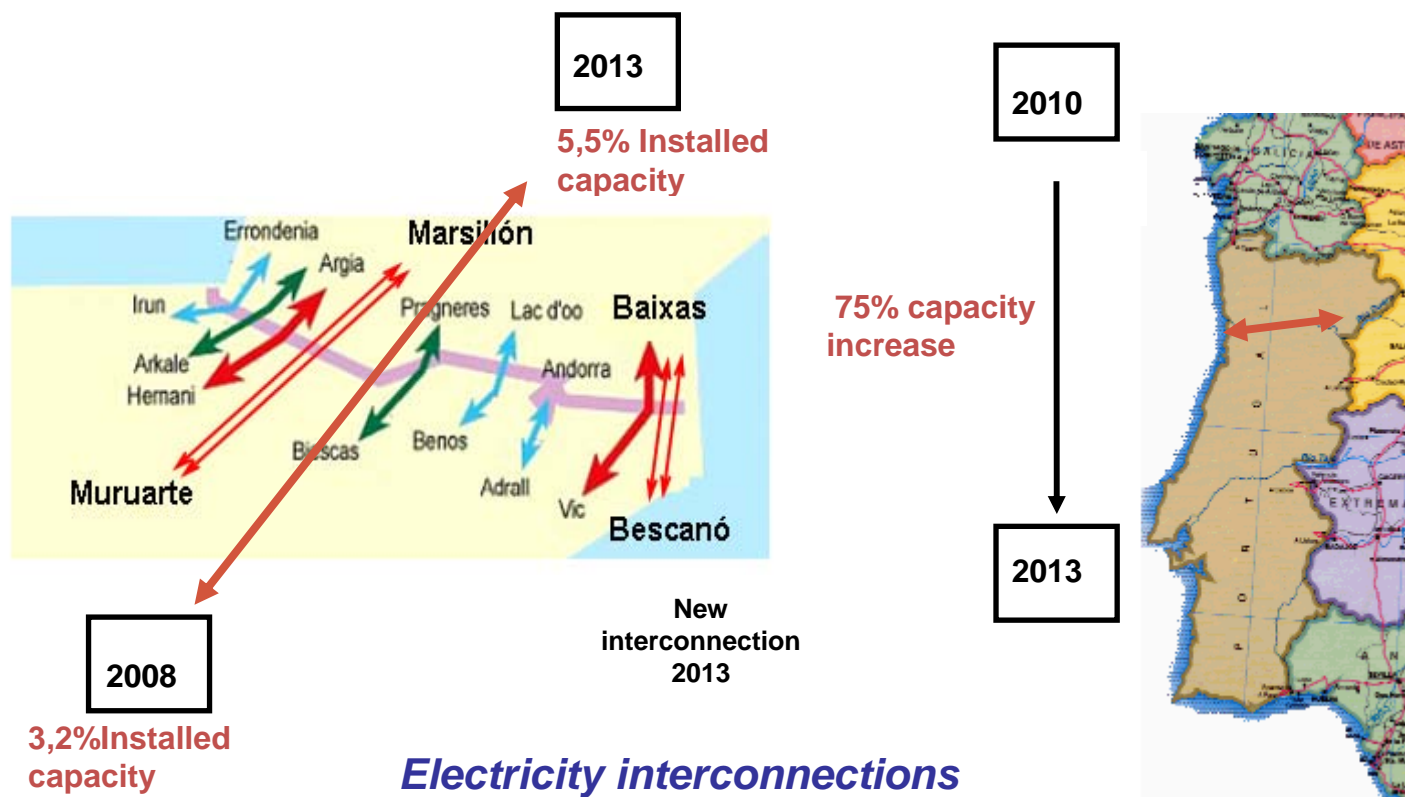
Hydrocarbons Market

Measures undertaken

- Developing the oil products prices dataset

Spanish Energy Policy Mechanisms: Security of Supply

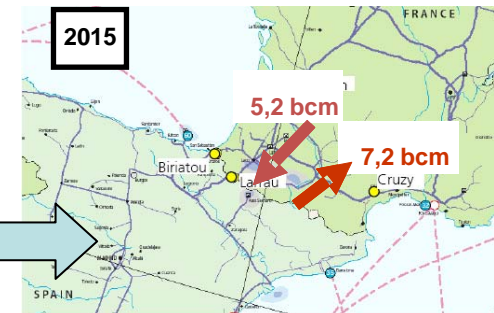
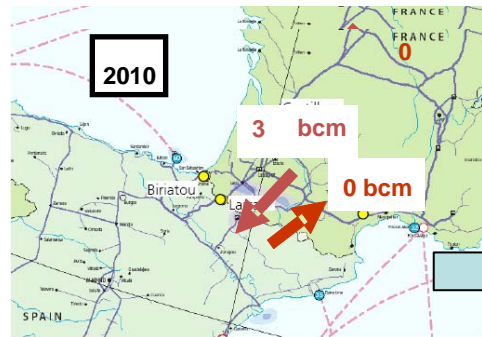
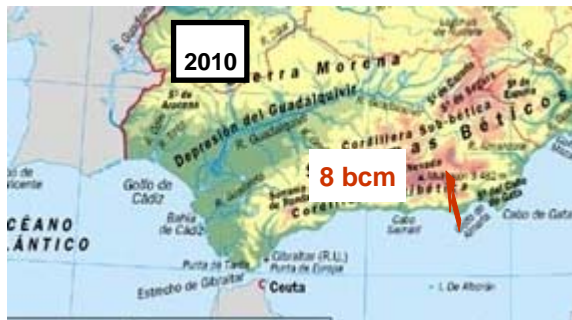
Developing infrastructures and interconnections



Electricity interconnections

Spanish Energy Policy Mechanisms: Security of Supply

Developing infrastructures and interconnections



Gas interconnections

Developing underground natural gas storage

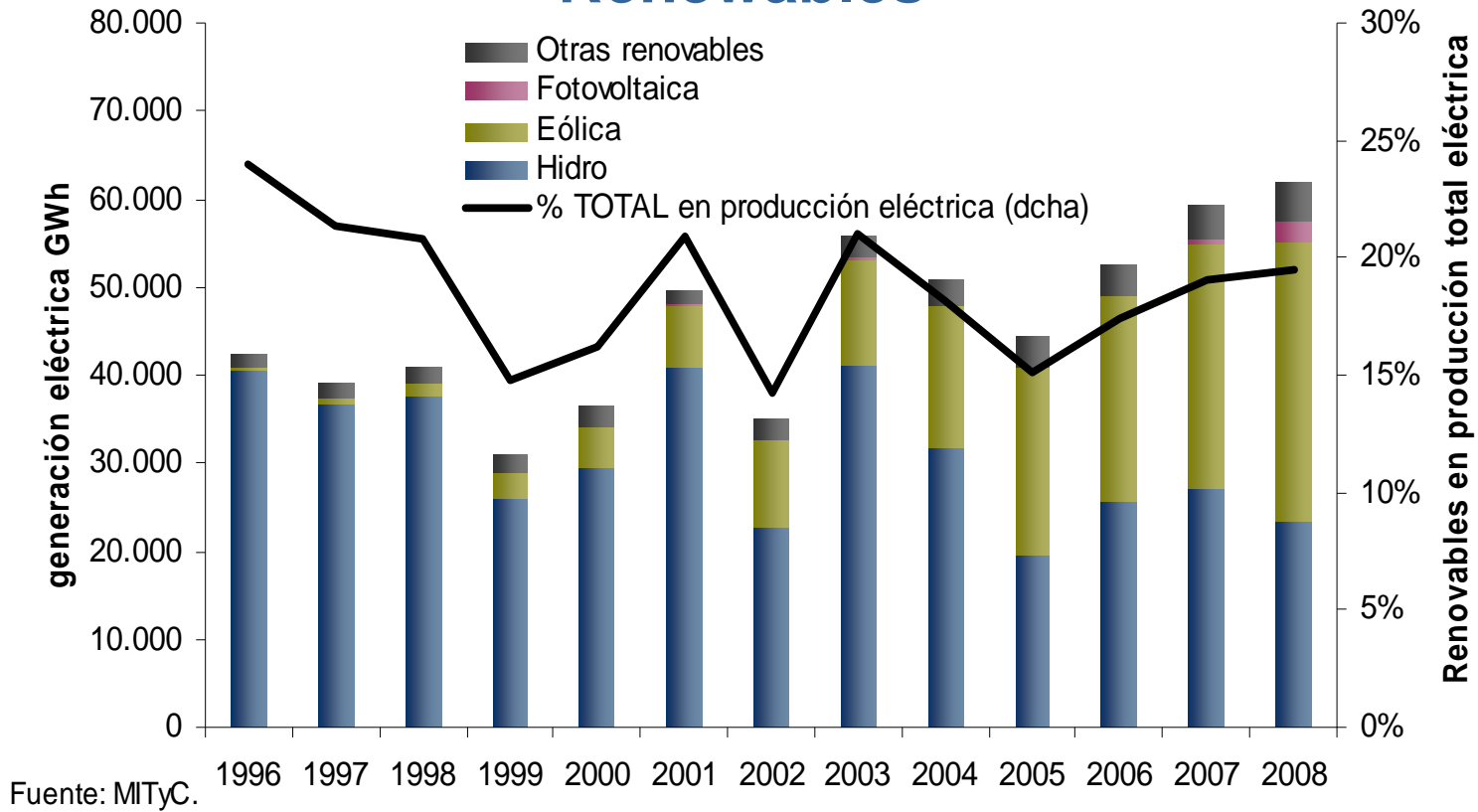


Underground capacity compared with total demand



Spanish Energy Policy Mechanisms: Meeting Environmental Targets

Renewables



Spanish Energy Policy Mechanisms: Meeting Environmental Targets

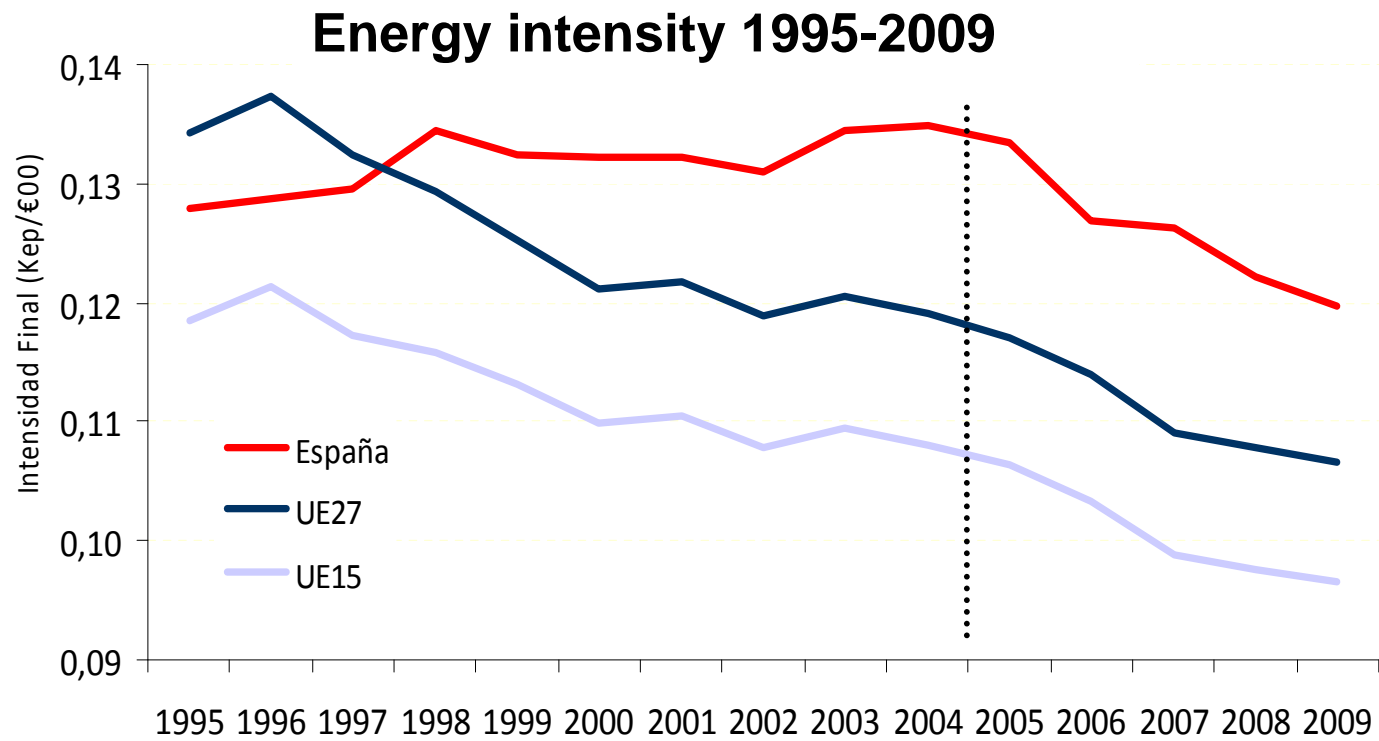
Energy Saving and Efficiency Plan 2008-2011

- The Government is developing **31 measures** that will maximise energy savings and efficiency in Spain.
- **Objective:** To reduce energy consumption by 44 million petrol barrels
 - = **6 000 kt.p.e (kilotonne petroleum equivalent)**
 - = **equivalent of 10%** of our yearly crude oil imports

Measures under development

1. **Electric vehicle**
2. **ESCOS => Plan 2000 public buildings**
3. **Improved lighting**

Spanish Energy Policy Mechanisms: Meeting Environmental Targets



Fuente: SEE.

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Spanish Presidency of the EU: Priorities

Special circumstances for the Spanish Presidency of the EU:

- A new **European Commission**
- **Lisbon Treaty** coming into force
- Follow-up to **Copenhaguen**
- **Economic crisis**

Priorities for the Spanish Presidency:

1. Energy Action Plan 2010 – 2014, including Energy Efficiency Action Plan
2. Renewables: Implementation the Renewables Directive
3. Security of Supply: Regulation on Security of Gas Supply
4. Innovation: Strategic Energy Technologies Plan (SET Plan).
5. Internal Market: Agency for the Co-operation of the Energy Regulators
6. Dialogue with third countries: Mediterranean Solar Plan



Spanish Presidency of the EU: Main outcomes

European Energy Action Plan 2010-2014:

- Document of the Presidency: Main topics for the Energy Action Plan 2010-2014
- Economic crisis => European Commission presents European Strategy EU2020
- Stock taking paper about EU2020 strategy in Energy
- The Presidency elaborated a draft conclusions of the stock taking paper
- Conclusions finally adopted at European Energy Council on 31 May
- The final action plan will be adopted under TRIO program

Spanish Presidency of the EU: Main outcomes

Renewables:

- Renewable Directive EC/2009/28 => Elaboration Renewable National Plans
- High Level Seminar organized by the Presidency in Pamplona on 15-16 April
- Debate about the difficulties in the elaboration of National Plans
- Cooperation mechanisms

Spanish Presidency of the EU: Main outcomes

Security of supply:

- Regulation on Security of Gas Supply: Political agreement
- New instrument for energy security and infrastructures

Innovation:

- Strategic Energy Technologies Plan (SET Plan)
 - Adoption of Conclusions about the Commission 2009 Communication
 - Launching the first 4 industrial initiatives in Madrid SET Plan Summit



Spanish Presidency of the EU: Main outcomes

Internal market:

- Transposition of the third internal energy market package
- Development of the new Agency for Cooperation of Energy Regulators

Dialogue with third countries:

- Mediterranean Solar Plan
 - Very good opportunity to strength the cooperation with Mediterranean countries
 - High level Conference about the Mediterranean Solar Plan in Valencia on 11-12 May

THANK YOU VERY MUCH!

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