



**A JUST TRANSITION TO NEW SOURCES OF  
ENERGY:  
TECHNOLOGIES, COSTS AND GEOPOLITICS**

**Conference report**

**8th June 2018, Rome**

**FEPS**

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FOUNDATION FOR EUROPEAN  
PROGRESSIVE STUDIES  
FONDATION EUROPÉENNE  
D'ÉTUDES PROGRESSISTES



FEPS Together with Fondazione Pietro Nenni organised a conference on 8<sup>th</sup> June in Rome, entitled “A Just Transition to new sources of energy: Technology, Costs and Geopolitics”.

The conference brought together European and international speakers in a full programme on the wide-ranging topics. The organisers were kindly hosted by hosted by CNEL – The Italian National Council for the economy and labour.

## MAIN MESSAGES

1. **The decarbonisation and digitalisation revolution is essential and inevitable; therefore Europe needs to be prepared in a range of policy fields.**
2. **Investment is fundamental in helping gear up the transition to reduce and diversify our energy production**
3. **There is a real need for a long-term strategy; for political certainty and for businesses**



### Opening speech and discussion paper:

Davide Tabarelli from Nomisma Energia presented his discussion paper to give a basis to the day’s discussions. Although he recognises the advances of the EU in the energy transition with regards to acting against climate change he remains rather sceptical about the realistic projections and where we currently stand. He set out some examples of current energy use and the challenges that renewables face vis-à-vis fossil fuels. The main point he emphasised was the problem that the consumer seems to be bearing the cost for the changes.

You can find his discussion paper setting out his arguments [here](#).



### **Session 1 - Technology: What capacities and costs are there?**

This session looked at the challenges we face in how to go about implementing changes in energy production and supply. There was a lot of concern expressed about how realistic are current policies are in achieving the goals set out. Many believe that current policies as they are not enough to stop using coal and in fact instead our dependence on coal is rising. Various policies were analysed to look at how to reduce independence and what new jobs may be created through the transition.

Existing and possible future regulation scenarios were examined. With demand for energy rising in both industry and in households, the option to have different and flexible resources is important; gas-fired turbines, pumped hydro storage and smarter battery storage will play an pivotal role as will smarter grid infrastructure in replying to demand. The benefits are evidently two-fold, by decarbonising the economy we improve our energy security. Better interconnection will also be important. The path to decarbonising transport is also a priority and this shift is critical in shipping, aviation and heavy-load vehicles.

Digitalisation is significant in all these areas, which is why this revolution is seen to go hand-in-hand with the changes to clean energy infrastructure. There was quite a lot of discussion on gas and its role it will play in being the transition fuel. Not just natural gas or LNG but the advantages of renewable, hydrogen and bio-methane gas from agriculture were presented. Nevertheless electricity is no doubt the principal, long-term power of the future. In terms of business structures a lot of start-ups and SMEs are being established and are changing the traditional business model of the energy sector. The main conclusion examined by the analysis presented was that at least in Italy if not the rest of Europe as well, that the renewables sector is growing rapidly and much more than the traditional energy sector.



## Session 2 – Geopolitics of the transition to new energies

With energy accounting for the largest source of GHG emissions, lowering them on an international scale requires international thinking. This session welcomed speakers from China, the US and Sweden as well as the UN level who offered a multitude of views from different continents which gave added-value to the geopolitical debate together with the retail and regulatory authorities also on the panel. Energy trends were analysed by the different speakers giving concrete examples and illustrating the impact of policies.

This is about energy policy but it is also very much about globalisation and geopolitics. It is a way to improve security.

The four dimensions of the energy transition were highlighted throughout the panel; these are the four common issues that brought the different interventions together.

1. – Economic; 2. – Social; 3. – Environmental; 4. – Political

That economic growth, social welfare and international and environmental security should be developed at the same pace, together. Whilst the energy transition is not only safeguarding the environment it is also helping to build a more shared prosperity.

The panel analysed how energy policy is addressed in the political debate and the divergences this brings. The introduction of more renewables raises questions of where energy can be best produced and where people live currently. This common challenge united the speakers actually and raises further questions about societal transformation in relation to the adapting energy policy.

Interestingly markets were proven to adapt positively to climate policy, demonstrating the benefits of political stability and long-term energy policies. The speakers agreed that investment should follow climate and climate objectives coherently and fossil fuel subsidies should be ended.

The Swedish case provides good examples as there is a political framework in place with clear targets to 2030, 2045 and 2050. Climate policy is fully integrated into economic policy via a climate review detailed each year in the budget bill.



## Concluding remarks

The main conclusion to be drawn is that true leadership and cooperation is needed and a long-term strategy vision is important in securing an effective roadmap.

All the speakers and participants agreed that it is the challenge for our generation to address climate change and we have a duty to carry it out.

The concluding remarks offered further reflection on the debates and how to use the challenges to provide long-term strategies and policies. The matter of urgency was stressed, as was the need for finding the right solutions. The opportunity for having spaces such as these is useful to exchange ideas and best practices so we will hopefully spend less time looking in the wrong place.

