Energy Policy Council – brief remarks on the EU Energy Program
November 29, 2010, 2:00-2:15pm, Ivan Urlaub
301 N. Wilmington St, Raleigh – New Education Building

From November 6 through November 15th, 23 North Carolina legislative, regulatory, public, private and non-profit sector leaders traveled to Brussels Belgium, Hamburg and Rostok Germany, and Paris France as part of the Center for International Understanding's "Global Leaders" program, where we focused on "energy sustainability and green jobs" in the European Union. I served on the steering committee and was a participant. We appreciate the opportunity to provide a brief report to you here today.

Our program had 4 main goals:

1. To broaden our vision and expand the conversation of what is possible from an energy policy perspective –
2. To engage with experts about models to expand renewable energy and promote energy efficiency
3. To understand the role of economic policies and incentives in promoting energy goals
4. And to gather information about France's nuclear energy policies, including the management of nuclear waste and the public acceptance of nuclear energy

We met these goals and much more. We learned from experts in the EU and we learned from one another. One of the dynamic outcomes of this program like this is building the relationships among a group of policy makers – building a common bond so we may work more effectively together for the best of North Carolina.

A few highlights of what we saw and learned:

• The EU is clear on its overall energy policy and we were struck by the amount of planning and analysis the EU and its member states have conducted to ensure they achieve their policy outcomes.

• There appears to be widespread acceptance of the need to reduce carbon. And the public sector is willing to invest and up to a point, the public is willing to pay for it.

• As part of EU 2020, greenhouse gases will be reduced by 20% from 1990 levels, 20% of energy will come from renewables and there will be a 20% increase in energy efficiency. To meet these goals, Member states choose their own sources of generation.

• In Germany it's clear that renewables is their primary generation source – they've been very successful in developing on- shore wind, solar and biomass and complimenting this development with related jobs and economic development. And one wind turbine manufacturer we met with in Rostok, Germany suggested a possible demonstration project here in N.C.

Rostok Germany is a sister city to Raleigh, NC, and during an evening reception Sen. Josh Stein presented the Raleigh city flag to the Mayor of Rostok.

• Germany is also developing off-shore wind as part of an EU-wide goal to have 32,000 MW online by year 2030, but was not as far along as we had expected. We were particularly interested in offshore wind, given North Carolina has the largest offshore wind resource on the East Coast. General Electric told us they are working to rapidly innovate off-shore wind turbines, attempting to cut their weight by 90% and bring down the cost significantly.

• While the German government may support nuclear, it's clear the public does not and building more nuclear is not in their strategy.

• A sharp contrast to France, where 80% of the electricity generated comes from nuclear – a strategy embraced and encouraged by the government since the mid 1970's.

•We learned in France that they built most of their nuclear facilities in two groups of 24 and 30 reactors – all the same design, and did so through one national utility – Electricite de France. This was in sharp contrast to Germany where more than 50% of their renewable energy systems are owned by non-utility business and small farmers.

• Nuclear and renewables are seen as complementary strategies in the fight to reduce greenhouse gas emissions – as France is also developing more renewables. So there it's not "either or." They should coexist. Perhaps we can learn from this as well. (We learned a lot from the AREVA representatives)

• It is interesting to know that Germany firms employ more people in the Carolinas than anywhere else in the United States. In Hamburg, Germany, 50% of their electricity comes from renewables. It was interesting to learn that generally the EU is no further along in smart grid than we are here in the United States and North Carolina. The Triangle region is a hub for smart grid firms and technologies. Smart grid appeared to be one of several sectors where North Carolina has or could have a global comparative advantage.

• Also of note is their need to build transmission capacity, just as it is here. We all agree that's a difficult process.

While we learned a lot from our global partners, we also learned that NC is doing many things right to secure our energy future. We've got our own renewable energy portfolio and are making progress on that. But we also were able to open our minds to new ways of thinking. Some examples of comments from our group included:

• Some things changed my vantage point on our opportunities and our challenges.
• I was struck by the depth of the impact in terms of job creation. We should be able to incorporate our economic policies more closely with energy policy.
• I thought the wind turbines were actually beautiful – I'd like to see more of them in N.C.
• And finally, this is a bipartisan issue.

For more information you can contact Melissa Edwards Smith, Program Leader, Center for International Understanding at 919-420-1360 or at medwards@northcarolina.edu

Nancy Temple, former Vice President of Corporate Communications for Progress Energy and Melissa Edwards Smith co-led this program.

A full report will be released early 2011, providing the list of attendees, the agenda of who our North Carolina delegation met with, and an overview discussion of the information we gathered and any conclusions drawn during and as a result of this program.