



## CLIMATE SAVERS CASE STUDY

OCTOBER 2013

# ENECO RAISES ITS VOICE FOR AN AMBITIOUS CLIMATE FRAMEWORK

As a climate policy leader Eneco leads advocacy and lobbying activities by networking with peers, industry associations, suppliers and other stakeholders, leading to new and more ambitious climate policy developments.

## THE COMPANY

Eneco is one of the leading energy companies in the Netherlands. It is engaged in the generation, transmission, trading and supply of electricity, gas and heat, and related products and services. Supplying energy to companies of all sizes, as well as to households in the Netherlands and Belgium, it has in excess of two million customers. It also prides itself in its track record in sustainable energy and in the global carbon arena.

## WHAT MAKES ENECO A CLIMATE POLICY LEADER?

Eneco has the vision of becoming the primary sustainable energy company in North-West Europe. In line with this and with its view of itself as “an outspoken organisation operating at the vanguard of the sector”, Eneco has incorporated climate advocacy and lobbying activities within its business strategy. The impact of an improved and outcomes-driven European climate legislation will go far beyond Eneco’s own operations; it will have a direct effect on the whole energy sector in Europe, the value chain, consumers and the environment.

In addition, Eneco has committed to drastically increasing its share of sustainable electricity by investing substantially in onshore and offshore wind farms, thermal and solar energy, biomass and hydropower. Eneco will also work with WWF to develop the concept of a ‘smart energy city’.



## ENECO

- Is the first energy company in the world to be declared a Climate Saver by the WWF.
- One of the founders of the Coalition of Progressive European Energy Companies (CPEEC) in 2011.
- Has been climate neutral since 2008.
- Lobbying for a binding EU 2030 renewable energy target as part of the desired 2030 renewables framework.

## THE CASE

Historically, Eneco’s lobbying around the use of renewable energy, emissions reductions and energy efficiency in the energy sector was most active in the Dutch governmental and political arenas. But, as European institutions and political arenas have gained more importance regarding energy policy over the last few years, so Eneco’s Public Affairs focus has expanded to reflect this weightier platform.

Its forthright and ambitious leadership stance is driven by its desire to push further and faster on several issues than other companies and the industry associations it is a member of. To support this it has chosen to lobby directly in the EU. Not with a team sitting in Brussels, but in a “focused and smart” way. In 2011 it developed the Coalition of Progressive European Energy Companies (CPEEC), a group of (now) 11 and growing progressive European utility companies, each with a sustainable energy strategy at a corporate level.

Eneco intends to extend and strengthen the coalition with the inclusion of additional companies, particularly from east European member states; and by becoming more proactive by presenting its arguments and data in the political arena.

As well as being dedicated to the ideology of renewable energy from an environmental societal and economic perspective, Eneco believes that in the long term it will count the cost financially if new policies are not adopted by the energy sector. While the small but omnipresent company's voice is to be heard rallying in support of a significant number of climate change issues, two particular issues have a direct impact on its business case: Renewable Energy Sources (RES) policies and the Emissions Trading Scheme (ETS).

Eneco considers ETS to be the cornerstone for CO<sub>2</sub> reduction in Europe, and that a strong and well-functioning ETS, resulting in a high price of CO<sub>2</sub> allowances, is a major driver of investments in low carbon technologies. For companies like Eneco that want to invest in renewable energy, it is a very important instrument.

"The current low prices for CO<sub>2</sub> allowances create no incentive for companies to produce cleaner energy," says Lucien Wiegers, Director Asset & Portfolio Management at Eneco Energy Trade. "The result is that today, high CO<sub>2</sub> emitting producers like coal-fired power plants are running at high rates, whilst at the same time, cleaner and more efficient gas-fired power plants seriously struggle."

## THE IMPACT

Through the CPEEC, Eneco and its members have introduced a more progressive voice in several important debates and policies, including calling for a mandatory 2030 renewables framework. As long as the ETS does not result in a strong price signal for CO<sub>2</sub>, a mandatory 2030 renewables framework (set sufficiently in advance) is necessary to help bridge the policy gap between 2020 and 2050 by providing a clear trajectory and direction of travel for investment decisions. This would allow companies to continue to invest in projects with a long investment cycle and sustainable supply chains, as well as to continue working to bring down costs.



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## HIGHLIGHTS

- Eneco has found that bringing together a group of likeminded companies to present 'another voice' is extremely effective, although it also does individual advocacy work, such as publishing a series of Opinion Editorials in Dutch newspapers.
- To remain effective and be more influential it is necessary to deepen the messages and broaden the focus across more issues. As a result, the Coalition has moved from general to more specific messages. For example, from: "We need an ambitious 2030 renewables framework, including binding targets and measures", to: "how can binding targets be mutually supportive, and on what level should they be imposed?"

Industry associations often represent the opinion of the lowest common denominator.

Eneco realized that its industry associations would not support its new ideas, such as CPEEC. So it decided to develop them outside the federation with the more sustainable members. But by keeping its membership to the associations it can double its effectiveness - giving its support to positive developments within the federation and developing new, more ambitious plans outside.

'The Coalition of Progressive European energy companies promotes ambitious objectives for the contribution of renewables to the future European energy mix. Therefore it advocates the development of a stable and effective EU framework for 2030, in line with the 2050 decarbonisation objectives, enabling an accelerated transition to a cost-effective decarbonised economy.'

**"Eneco's aim is not to stand up against its own industry associations. We are still a member of them too. We just want to bring a more ambitious and progressive story to the political arena. We want the stakeholders to know that there are companies that want to go further."**

**Maarten Sessink, EU Affairs at Eneco**

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