**(Draft)**

**ΟΜΙΛΙΑ ΠΡΟΕΔΡΟΥ**

**ALL THINGS ENERGY FORUM**

**3 ΙΟΥΝΙΟΥ 2021, ΩΡΑ 9.30 ΠΜ**

Good morning Ladies and gentlemen,

The timing for organizing the **All Things Energy Forum** could not have been more appropriate, as we enter a decade of rapid changes and challenges in the energy landscape.

With the **2030 Climate Target Plan**, the EU has decided to raise its ambition on reducing greenhouse gas emissions to **at least 55% below 1990**. At a meeting this summer, (**June 2021 moved to July14th**) the European Commission is expected to propose a massive ‘**Fit-for-55’** legislative reform package. It is therefore of utmost importance to carefully design the correct policy instruments which will help to achieve these ambitious targets whilst at the same time deliver a competitive economy.

Here at OEB, we have identified four priorities of focus, where attention and effort should be directed in order to deliver the EU climate targets, these are: **Buildings, Industry, Electricity and Transport**.

**Buildings** are the largest energy consumer in the EU and contribute approximately 30% of the EU’s greenhouse gas emissions. We have an aging building stock in the EU and a low current renovation rate (1%). Measurers such as energy efficient retrofitting of buildings, the phasing out of fossil fuel and low-efficient energy sources must be taken to decarbonize the sector. Unless these measures are accelerated a large proportion of inefficient buildings will still be in place by 2030.We need at the same time to stay aware that the construction sector is a large employer and responsible for approximately 9% of the EU’s GDP.

Decarbonising the EU **industry** (in particular, steel, chemicals, and cement) is technically feasible today, however many of the technologies are nascent, require substantial CAPEX and are costly to implement and thus not competitive enough in today’s markets. Therefore, the next decade will be decisive for the industrial sector. In a net-zero 2050 scenario, the production cost for steel is estimated to increase by 20-30%, cement by 70-115% and plastics and ammonia by 15-60%. Thus, it is important to invent and deliver novel technologies which do not substantially increase costs so as to decarbonise the EU industry. Putting “circularity first” and re-visiting carbon leakage could fast track innovation. On the other hand, greenhouse gas emissions know no boarders, and steps need to be taken to mitigate the move of industrial production from Europe to non-EU countries who have little or no regulation regarding greenhouse gas emission policies.

Greening industry strongly relies on hydrogen as a cross-cutting technology and greening the production process of carbon-intensive materials such as ammonia, cement, steel and plastics. A higher carbon price in the EU ETS and an extension of emissions trading to heating and transport will represent a significant burden on many parts of industry. The Decarbonization of industries should include three areas: actions on the demand and reuse of products and materials, energy efficiency in the industrial processes, and different sources in the energy supply.

The EU heavily depends on coal for **electricity production**. Further investments and reforms are needed in renewables in the electricity sector, such as large-scale solar PV, on-shore and off-shore wind technologies, smart grids and storage. Especially for non-dispatchable renewables such as solar and wind, they need to be associated with other flexibility options, such as dispatchable power plants, electricity storage, grid interconnections and demand-side management. A complete decarbonisation of the electricity sector is required in order to meet the EU’s 2050 goals.

Emissions in the European **transport** sector represent almost 27% of the GHG emissions and are a cause of air pollution. More than 70% of all GHG emissions in the transport sector come from road transport which is heavily reliant on liquid fossil-fuels.

The transition to a lower polluting economy is a necessity, not an option. It is revealing that according to estimates by the European Commission, the economic losses associated with climate change have exceeded 270 billion euros worldwide for the year 2017.

In the energy sector, the essence of the transition is concentrated in the triptych "3Ds", which reflects three basic concepts: **decarbonization, digitalization and decentralization**. To this end, energy policy should include reforms e.g. simplifying the institutional and regulatory frameworks, creating the conditions for the development of energy storage infrastructure and facilitating the transition.

In closing, I would like to thank the organisers for their kind invitation to participate in this Forum, and I would like to thank you all for your attention, and wish you a successful forum and fruitful discussions.

Thank you.

Antonios Antoniou

OEB Chairman