

PRESS STATEMENT

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THE EUROPEAN COGENERATION STUDY (TECS)

The TECS project, funded by the SAVE II Programme of DG Energy of the European Commission, National Governments and the cogeneration industry, will provide the first in-depth long-term market analysis for cogeneration for 30 countries of the EU, the EEA, the central European accession countries and other important neighbours.

The project partners launched TECS in Brussels with the formal kick-off meeting in December 1999. Over 14 months, TECS will:

- Establish a comprehensive information resource describing cogeneration in 30 countries in Europe;
- Project the likely growth of cogeneration in these countries under different market scenarios;
- Bring together key policy makers, equipment suppliers, fuel suppliers and cogeneration developers, to review the data, assumptions and projections;
- Build consensus among these key stakeholders on how to ensure the growth of cogeneration in Europe;
- Provide a platform for industry to influence cogeneration policy development in individual countries and in the EU;
- Identify the benefits and costs of greater CHP market penetration with particular reference to the environment;
- Disseminate the results widely.

TECS will be carried out by a consortium comprising COGEN Europe (Belgium), ESD (UK), VTT (Finland), Sigma Elektroteknisk (Norway), ETSU (UK) and KAPE (Poland). A "Data Network" of local partners, many of them COGEN Europe national members, provide a focus for information gathering and consensus building in each of the 30 countries covered. A "Consultative Group", drawn from key cogeneration stakeholders in each country, will test and verify the project's data, projections and conclusions.

Why is TECS important now?

The greater use of cogeneration promises to contribute significantly to meeting national targets for the reduction of CO₂ emissions. In its pre-Kyoto Communication, the Commission identified CHP as the single largest potential contributor to CO₂ emission reductions. In the EU's cogeneration strategy a target has been proposed for cogeneration's share of total power generation in the EU to be doubled by 2010 to nearly one fifth of all electricity. Cogeneration will also be crucial to improve the environment in central Europe.

Policy makers from all the target countries, cogeneration, gas, electricity and related industry leaders, investors, developers and opinion formers all need to predict how markets may grow, what factors will influence that growth, what policy options exist to promote that growth, what business opportunities and threats may be realised, and what environmental benefits flow from that growth. TECS exists to deliver this information, and to provide a platform for



all stakeholders to influence the cogeneration debate and to push the cogeneration 'agenda' at a national and international level.

Anticipated results

TECS is designed to help create a stronger enabling environment for cogeneration in Europe. The project aims to help accelerate the uptake of cogeneration by demonstrating its potential and benefits to a wide range of key policy and industry players, and by building consensus among these stakeholders on how an accelerated development of cogeneration can be achieved in Europe.

Patrick Lambert, Head of Unit at DG Energy said “The European Cogeneration Study (TECS) will be of great value - we will be looking closely and carefully at the advice from this project, and from the recommendations that will be put forward. This will provide important input in the policy formulation for CHP in Europe, following the Council's resolution of 13th November 1998 which focuses on improving energy efficiency and calls for increased use of CHP.” And continued that it represented a “good opportunity” for the cogeneration industry and European governments to set out the future role for CHP in the next century.

Methodology

TECS will examine all scales of application, from decentralised micro-scale through to large-scale centralised cogeneration, all fuel types, and all technology types. Furthermore it will quantify the potential energy savings, environmental and employment impacts due to cogeneration across a wide spectrum of energy end-use sectors.

At the heart of the methodology is an updated version the *SAFIRE* (Strategic Assessment Framework for the Implementation of Rational Energy) modelling tool, developed and managed by ESD. *SAFIRE* has already achieved numerous successful applications at local national and regional level. The *SAFIRE* database includes information on 30 European and eight other countries in North, Central & South America and Asia.

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NOTES FOR EDITORS

Over the last 10 years, we have seen a steady rise in the importance of cogeneration in energy policy making. The principal driver for this has been environmental considerations. Over the same period we have seen a shift in the priorities in energy policy. The three pillars of this policy are environment, security of supply and energy conservation/competitiveness. What has changed is the order of their importance. Ten years ago environment would have been ranked the third, now it is clearly top of the list. This was crystallised by the agreement to reduce global greenhouse gas emissions finalised at the Kyoto Conference of the Parties in 1997, the so-called Kyoto Protocol. Cogeneration is one of the few technologies that fits the three pillars really well. This gives our industry a clear advantage in the future.

In the European Union, the United States of America, Japan and many other countries cogeneration has a key role in delivering the environmental objectives. In other policy aspects, such as the liberalisation of energy markets; security of supply of energy; and the increasing role for natural gas in the electricity sector, cogeneration stands to benefit.

The TECS Project will achieve its objectives through:

- the study's wide country coverage;
- building consensus among cogeneration stakeholders on how to move forward;
- providing a key reference point in driving forward the cogeneration debate;
- giving national governments information to help them set realistic targets for cogeneration growth.

The TECS **methodology** will therefore provide conclusions and recommendations that are tested and reviewed by industry and government representatives, to ensure that they are practical, realistic and defensible. The Study will co-ordinate with all relevant existing work; it will develop a universal data input form to help all countries, especially future members of the EU, to measure cogeneration. It will examine impacts, costs and benefits in the future, and it will use the Consultative Group and other partners to verify and test the study's results and proposals.

A major dissemination programme will be undertaken to share widely the TECS findings and recommendations. Dissemination will be carried out by targeting different messages to different audiences, using appropriate channels and media. Notably this will include a multi-media CD-rom of the results summary, an approach which ESD has proved to be very effective with "TERES II", The European Renewable Energy Study.