

RECENT EVENT

FRANCO-BRITISH ENERGY CONFERENCE - 29 OCTOBER

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Franco-British Energy Conference

ORGANISED BY THE **FRENCH CHAMBER** WITH THE SUPPORT OF THE **FRENCH EMBASSY** AND IN PARTNERSHIP WITH THE **FRANCO-BRITISH COUNCIL** AND **ESCP EUROPE BUSINESS SCHOOL**, THE FIRST EVER FRANCO-BRITISH ENERGY CONFERENCE, WITH 240 PARTICIPANTS, PROVIDED A PLATFORM FOR DEBATE AND DISCUSSION ON SOME OF THE MOST PRESSING ISSUES IN THE ENERGY SECTOR

Timing is everything, and for the Energy Conference to take place in the week following the deal between the UK Government and EDF Energy on the strike price for nuclear energy, could only be ‘a good omen for the future of investment in low carbon energy in this country,’ as Richard Brown, Deputy President of the Chamber remarked. But he also alluded to the huge challenges Britain faces to meet its carbon reduction targets and underlined that no single energy source – whether nuclear, wind, solar, energy recovery, biomass, oil & gas, tidal – could deliver this: all have a part to play.

In his address, the French Ambassador to the UK, HE Mr Bernard Emié, highlighted the closeness of the links between the energy futures of France and the UK, and the major roles French companies are playing in this. ‘Energy is shaping global economic development and international relations,’ he said. ‘Faced with this new situation, countries like France and the UK, have opted

to be politically proactive by establishing an ambitious energy policy resolutely focused on a low carbon economy.’ He applauded the UK’s courage to press ahead with legislation and market reforms in the interests of long-term stability, which are ‘models that the rest of Europe is watching with great interest’.

Vincent de Rivaz, CEO of EDF Energy, picked up on the topic of partnership – between private and public, UK and France, and between the company and its customers – that was at the heart of the Hinkley Point deal. ‘Nothing is more important than for us to stand on the side of our customers,’ he stated, but admitted that trust had become an issue. Commenting on the current ‘furore’ over rising energy bills, he agreed that affordability was an issue for many households, and that energy companies had to be part of the solution. But he expressed optimism that trust in energy companies could be restored, just as public acceptance of new build nuclear had undergone



The first panel



Networking in the lunch break

All photography by José Fortinha

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Ed Davey, Secretary of State for Energy and Climate Change

a sea change within the last 10 years: 'We will win the battle for trust, just as we won the battle for new build nuclear,' he stated.

Moderated by Guy Chazan, Energy Editor of the Financial Times, the first panel of speakers considered the question of whether the UK Energy Policy would enable the UK to meet its energy challenges. Steve Burgin, Regional Vice President, Northern and Central Europe, Alstom Global Power Sales, said that it should be viewed from the perspective of the good it will do the UK economy – in terms of infrastructure, skills and jobs – but warned against reaching an impasse because of the current 'push-me, pull-you' within the trilemma of sustainability, security of supply and affordability. Most speakers acknowledged the positives of the UK Energy Policy and its progressiveness in creating the preconditions to attract the £110 billion investment needed, but discussion revolved around what Angela Knight, Chief Executive, Energy UK, called 'the inflection point of the moment' – affordability and how it is all paid for – and what the implications might be for energy policy. Greater transparency on the costs involved, the challenges of getting the messages across and whether costs should be met by general taxes or put on to energy bills were all debated.

Ed Davey MP, Secretary of State for Energy and Climate Change, then took the floor to 'tell the story of the real progress' being made behind the headlines. 'Cooperation between the UK and France on energy goes much further than nuclear, critical and symbolic though that is,' he said, mentioning in particular Total in the North Sea, Alstom working in everything from offshore wind to the grid, and the increasingly close relationship between the French and UK governments on energy and climate change issues in the EU context. Describing it as a unique two-way partnership, he nevertheless expressed a desire to see more British companies in France. He set out the case why French investors and companies should see the UK as a place to invest in energy, with



Conference delegates

its particular energy security needs and £110 billion infrastructure investment challenge. UK Energy Policy is, he noted, a competitive, technology-neutral response to the challenges, aimed at reducing the cost of capital for investors going in, while saving consumers money compared to using the older methods.

He asserted that affordability was being taken extremely seriously by Government, outlining measures such as direct payments to households and making the market as competitive as possible. 'I am convinced we can get there, go green and keep competitive,' he said. On green growth he touched on the huge economic benefits for Europe in terms of jobs, technology and R&D, but warned that China and the US are closing in on Europe's leading position in clean energy investment. 'We should worry about "low carbon leakage" – jobs going abroad because we are not taking the lead sufficiently strongly,' he said, and suggested that strong Franco-British partnerships would be a way of ensuring that Europe stays in the lead.

The second panel of speakers considered how Franco-British partnerships could be developed to deliver the investment required. From the start, the issue of skills shortages dominated the discussion. There was debate on the sense of crisis in engineering as a subject, with issues of gender, image and message raised. Salaries, staff retention and competition from companies offering more attractive job prospects were all highlighted.

As to how the UK manufacturing sector and supply chains could be developed to support the energy sector, Robert Davies, CEO, Areva UK said it was about 'balancing project realism with ambition'. It was noted that successful Franco-British partnerships are 'durable, sustainable, mutually beneficial and mutually comprehensible', but the potential for incompatible views and misunderstanding is enormous and needs to be managed. The UK energy sector is a very attractive destination for investment, and partnerships are a way of making that investment sustainable in the long term. ■ **KF**

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