

















**Commissioner Carlos Moedas**

**Meeting with Mr Gomes da Silva,  
Executive President of Galp Energia**

**BERL 09/099**

**Thursday, 17/09/2015**

**17:00 - 17:30**

<p>Main contact person: ,  , RTD-G.2, CDMA </p> <p>Contributor(s): ,  , RTD-G.1, CDMA </p>	<p>Cabinet Member: CARVALHO Maria Da Graca</p> <p>RTD colleague at meeting: Name, , RTD-unit, office</p> <p>Back up (in case of absence):  ,  , RTD-G.2, CDMA </p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

# TABLE OF CONTENTS

<b>KEY MESSAGES AND FIGURES</b>	<b>Page No 3</b>
<b>1. STEERING BRIEF</b>	<b>Page No 4</b>
1.1 Scene setter	Page No 4
1.2 Objectives	Page No 4
1.3 Line to take	Page No 4
<b>2. SPEAKING POINTS</b>	<b>Page No 5</b>
<b>3. DEFENSIVE POINTS</b>	<b>Page No 8</b>
<b>4. CURRICULUM VITAE</b>	<b>Page No 9</b>
<b>5. BACKGROUND INFORMATION</b>	<b>Page No 10</b>
5.1 Galp Energia's activities in energy	Page No 10
5.2 KIC InnoEnergy	Page No 10
5.3 Galp Energia's innovation, research and technological development activities	Page No 11
<b>6. FACTS AND FIGURES</b>	<b>Page No 12</b>
6.1 Galp Energia's participation in FP7 and Horizon 2020	Page No 12
6.2 Galp Energia facts and figures	Page No 12
<b>7. SOCIAL MEDIA</b>	<b>Page No 13</b>
<b>8. ANNEX</b>	<b>Page No 14</b>
Company Profile (PDF)	

### **KEY MESSAGES**

- Horizon 2020 does not support 'classical' oil and gas R&I (on exploration and production). Our only involvement in this field is addressing the environmental aspects of unconventional hydrocarbons development (i.e. shale gas).
- Our main focus in the fossil fuel areas remains Carbon Capture and Storage (CCS). Galp Energia, with their strong subsurface expertise, is well-placed to contribute to R&I under Horizon 2020.
- In addition, the involvement of Galp Energia in renewables (biofuels, wind, solar) is very relevant to the objectives of the Energy Union and the new SET Plan.
- Galp Energia is encouraged to contribute to the implementation of the new SET Plan, through normal Calls for Proposals and through their involvement in KIC Innoenergy.

<b>KEY FIGURES</b>	<b>FP7</b>	<b>Horizon 2020</b>
Total number of participations	3	-
Total number of signed grant agreements	3	-
ERC – Number of grantees		
Marie Skłodowska-Curie – Number of grantees		
EU total financial contribution to participation	EUR 251,721	-

## **1. STEERING BRIEF**

### **1.1 Scene setter**

You will be meeting Mr. Carlos Gomes da Silva, Executive President of Galp Energia, in your office on 17/09/2015 from 17:00 to 17:30 at his request. The purpose of the meeting is to discuss R&I activities in the area of oil and gas and how Horizon 2020 covers these areas, and KIC Innoenergy in which Galp is a participant.

### **1.2 Objectives**

1. Clarify our R&I activities in the field of fossil fuels.
2. Inform GALP Energia about the newly launched SET Plan Communication.
3. To confirm Galp Energia's commitment to cooperate in the context of the updated SET Plan including their participation in KIC Innoenergy.

### **1.3 Line to take**

Explain the history and rationale of the (limited) activities we have in the field of fossil fuels.

Clarify the SET Plan objectives in the context of the Energy Union, in particular those supporting to become 'No1 in renewables'.

Enquire about Galp Energia's R&I activities in the SET Plan priority areas, and seek their commitment to the new SET Plan's objectives and priorities.

Explain the role KIC InnoEnergy has in the SET Plan process, including on R&I priority setting, bringing innovation to the market, development and implementation of Inducement Prizes for Energy, Education and Training activities.

Invite Galp Energia to take part in the forthcoming debates on the SET Plan.

## 2. SPEAKING POINTS

### On Research & Innovation in the area of fossil fuels:

- Explain that EU funding for fossil fuels has decreased steadily throughout different Framework Programmes (from 38% of the energy research budget in FP2 to 0% in FP6) as a result of changing political agendas:
  - FP4 supported the development of technologies for hydrocarbons exploration and production to ensure **security of supply**.
  - In FP5 and FP6, the objective for fossil fuels R&D was to comply with the Kyoto Protocol on the **reduction of greenhouse gases**.
  - Under FP6 and FP7, the focus was exclusively on **Carbon Capture and Storage (CCS)**.
- Explain that Horizon 2020 still has a focus on CCS (and CO<sub>2</sub> re-use, CCU), but also includes R&I on flexible conventional thermal power plants and unconventional hydrocarbons (in particular shale gas and oil).
- Stress that for unconventional hydrocarbons (UH), we do not support technology development, but only address the possible environmental aspects of UH development.

### On the role that Galp Energia can play in European collaborative R&I:

- Explain that the Energy Union is a top priority for President Juncker and that R&I is a crucial dimension of this strategy.
- Define the 4 core priorities - renewables, consumer, energy efficiency, and transport. On top of these, 2 research priorities - CCS and nuclear – could be added.

- Acknowledge that Galp Energia's expertise could contribute to these priorities, in particular in the field of biofuels and CCS.
- Explore Galp Energia's current interest in R&I in the field of CCS and renewable energy technologies.

#### **On the new SET Plan:**

- Inform Mr. Gomes da Silva that the Integrated SET Plan Communication was adopted by the College on 15 September. It is the first R&I deliverable under the Energy Union.
- Inform that ad hoc thematic discussions on the new SET Plan are to be organised very soon with industry and research stakeholders in order to develop specific targets and programmes at European and national level.
- Seek Mr. Gomes da Silva's view on how Galp Energia can contribute to the implementation of the new SET Plan, both in terms of sustainability and of boosting innovation.
- Inform that the new Integrated SET-Plan will be presented next week in Luxembourg in a conference, and invite Galp Energia to take part in the debate and provide critical and constructive comments.

#### **On KIC Innoenergy:**

- Acknowledge that KIC InnoEnergy can contribute in the advancement of the SET Plan through services which support the uptake of new solutions and enable further investments in the sector, and education and training.

- Acknowledge that KIC InnoEnergy plays an important role by selecting promising scientific developments from the research community and channelling them to industrial players, thus facilitating their market uptake.
- Highlight that in the new SET Plan Communication, we go a step further, proposing a closer engagement of KIC InnoEnergy with the SET Plan Community, to identify innovative projects and bring them to the attention of investors or companies that can turn these innovations into successful businesses.

### 3. DEFENSIVE POINTS

***Horizon 2020 does not support any activities in oil and gas, but we will use these energy sources for decades to come. Will this be considered in future calls?***

EU funded research in the field of oil and gas was supported in earlier Framework Programmes, when energy security of supply after the oil crisis was a key political priority. In FP5, as environmental stewardship became more and more important as a driver for energy research, our activities in oil and gas were limited to technologies to reduce the environmental impact of oil and gas development. In FP6, oil and gas R&D was excluded completely, and both FP6 and FP7 focused on CCS instead.

Horizon 2020 includes again a link to fossil fuel exploration and production, but only in the sense that the environmental aspects of unconventional hydrocarbons (mainly shale gas and shale oil) can now be addressed; For anything else, we do not have a mandate from either the European parliament or other Commission services (in particular DG ENER, ENV and CLIMA).

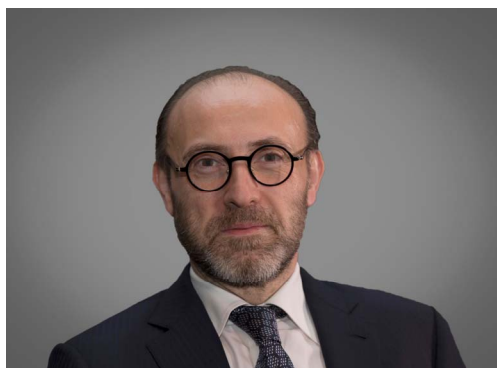
Since the oil and gas industry is a mature industry with a lot of revenues, the actual technology development (bot for conventional and unconventional hydrocarbons) is left to the industry.



#### 4. CURRICULUM VITAE

**Carlos Gomes da Silva**

*Chief executive officer (CEO)*



Carlos Gomes da Silva is a professional with 27 years of experience in different industries, in particular oil & gas, energy and beverages. Carlos Gomes holds a Degree in Electrical Engineering and Computer Science by FEUP at the Oporto University and an MBA by ESADE / IEP (Barcelona). With more than 20 years in the oil & gas industry, he joined Galp Energia / Petrolgal early in the 90's, where he played several managerial roles leading refining operations, supply and trading, planning & control and strategy. From 2001 and during 6 years he served in the beverages industry (at Unicer, a Carlsberg Group company) as Head of M&A and Strategy and subsequently as Chief Operating Officer (for the supply chain, retail and human resources). He returned to the Oil & Gas industry in 2007 to serve as Board Member in Galp Energia, undertaking several executive roles since 2008 as Chief Operating Officer, namely for Marketing Oil, Gas & Power, Trading Oil & Gas and corporate divisions (Procurement, Marketing, Human Resources, Legal, Corporate Governance and Compliance).

## 5. BACKGROUND INFORMATION

### 5.1 Galp Energia's activities in energy

Galp Energia is present throughout the entire **biofuels** value chain, operating both in upstream and downstream biofuel activities.

At the upstream level, the Company has a palm oil plantation project in Brazil, and should start producing from 2017 onwards. At the downstream level, there is a unit producing **second-generation biofuel** in Portugal, with an installed capacity of 27 mton of biofuel per year, dedicated to transforming waste oils and waste animal fats into biodiesel. In addition, engineering and logistics studies are being carried out to build production plants for hydrotreated vegetable oil (HVO).

With regard to **wind power** generation, Galp Energia currently has an operational wind farm with an installed capacity of 12 MW, which produced 36 GWh in 2014. Four additional wind farms are also under construction and will have an installed capacity of 171.6 MW.

With regard to **solar power** generation, Galp Energia is developing several projects in Portugal to promote greater energy efficiency with its clients and business partners.

### 5.2 KIC InnoEnergy

KIC InnoEnergy was established under the EIT in 2009 as the Knowledge and Innovation Community in the field of energy. It is run as a commercial company, incorporated as Societas Europea with headquarters in the Netherlands, with 27 shareholders and additional 200 partners - companies, research institutes, universities and business schools covering the whole energy mix. KIC InnoEnergy's partners are organised around six regional units, the Co-Location Centres.

Galp Energia is member of the Spanish center of operations, known as Co-Location Center Iberia, which is based in Barcelona. The Center brings together Spanish and Portuguese partners and coordinates all the InnoEnergy projects that focus on renewable energies (wind, solar photovoltaic, solar thermal, and marine energy). It also coordinates a large-scale project on industrial energy efficiency.

KIC InnoEnergy refers strongly to the **SET Plan** as its overarching strategy. It has been involved through its experts in the development of a number of activities under the SET Plan:

#### *a) SET Plan Education and Training Roadmap*

KIC InnoEnergy was part of the core group that contributed to the development of the SET Plan Education and Training Roadmap document in 2012-2013.

#### *b) Implementation strategy for the Materials Roadmap Enabling Low-Carbon Energy Technologies (SET Plan)*

KIC InnoEnergy contributed to the development of a Strategy Paper identifying the best options to implement the SET Plan Materials Roadmap.

#### *c) SET Plan Integrated Roadmap*

KIC InnoEnergy contributed to the development of the strategic document 'Towards an Integrated Roadmap1.

***d) Inducement Prizes for Energy***

KIC InnoEnergy contributes to the development and implementation of the Inducement Prizes for Energy under Horizon 2020.

**5.3 Galp Energia's innovation, research and technological development activities**

- ***What Galp has already done:***

Created innovative projects for Galp Energia, for their clients and with their other business partners: refining (Ginseng project); E&P (seismic imaging); clients (SMART Galp); other business partners (COMET programme).

Established R&D partnerships with the technological and scientific community: creating the Institute of Oil and Gas (ISPG); Doctorate and Master's in Oil Engineering (ISPG & UHW); Galp 20-20-20; Fuels R&D Unit (partnership with the University of Coimbra); EngIQ business doctorate programme; Galp Innovation network.

- ***What Galp plans to do (2015-2020):***

[Redacted text block containing multiple lines of greyed-out content]

## **6. FACTS AND FIGURES**

### **6.1 Galp Energia's participation in FP7 and Horizon 2020**

Galp Energia participated in COMET, an FP7 project aimed at identifying a CO2 transport and storage infrastructure serving the West Mediterranean area, namely Portugal, Spain and Morocco

### **6.2 Galp Energia facts and figure**

See Company Profile in Annex

## 7. SOCIAL MEDIA

Galp Energia is present in the following social media:

TWITTER: <https://twitter.com/galpenergia>

Only one tweet from 2009.

LINKEDIN: <https://www.linkedin.com/company/galp-energia>

Company information, achievements and recruitment opportunities in English and Portuguese.

FACEBOOK: <https://www.facebook.com/galp-energia-243723985665494/timeline/>

Facebook page with a focus on the Galp racing team, with lots of pictures but very little information.

YOUTUBE: <https://www.youtube.com/user/COSTOffice>

The Galp Youtube site is well populated with short videos on exploration & production, corporate profile and on natural gas & electricity for consumers.

## 8. Annex:

### Company Profile (PDF)

Galp Energia is an energy company – their activities span from exploration and production of oil and natural gas to refining and marketing oil products, natural gas marketing and sales and power generation.



Market capitalisation:	€6,991 million
Turnover:	€17,904 million
Net profit RCA:	€373 million
Number of employees:	6,855
Active presence in:	<a href="#">14 countries</a>
Reserves 3P:	833 mmboe
Average working interest production:	30.5 kboepd
Refineries:	2
Service stations:	1,449
Sales of natural gas:	7,472 mm <sup>3</sup>

data from the end of 2014

### Business segments



#### Exploration & Production

##### > Around 45 projects in portfolio

Galp Energia's activity is growing fast, especially in [Brazil](#), [Angola](#) and Mozambique with the recent discoveries;

Production of oil is concentrated in Angola and in Brazil, with a WI production of 30.5 kboepd in 2014;

At the end of 2014, 3P reserves NE stood at 833 mmboe; 3C contingent resources WI at 3,496 mmboe and exploration resources (unrisked) at 1,605 mmboe;

The development of existing resources, will allow Galp Energia to significantly increase its production.



#### Refining & Marketing

##### > 1,449 service stations

We process oil into refined oil products, mainly marketed by our own network in Portugal and Spain;

We are the only refining company in [Portugal](#), and we currently have a refining capacity of 330 kbopd;

Refined products are primarily marketed in the Iberian Peninsula but also in Africa, with sales to direct clients hitting 9 mton in 2014;

In 2014, the marketing network reached 1,449 service stations.



#### Gas & Power

##### > 7,472 mm<sup>3</sup> sales of natural gas

The main activities of this business segment are import, distribution and sale of natural gas and production of electricity;

Natural gas is sold in Portugal and Spain to around 1.3 million customers;

We plan to exploit current developments in our power business to increase our sales of natural gas;

In the power business, our aim is to position ourselves in the electricity supply sector in the Portuguese market.