

Meeting with Engie, January 20, 2023

Brief summary

Participants:

Cabinet of the President: Peter Van Kemseke

Engie: 

Main issues discussed

The company briefly explained its net-zero strategy, including on green hydrogen projects and offshore wind projects.

It shared its views on EU storage levels: the EU is at 80% of storage capacity on 18 January 2023 (levels never seen before). In case of a much colder winter than usual in February and March (worst case), levels reach 40% of storage at end of March. The often quoted figure of 30% is unlikely.

The main part of the meeting was dedicated to Engie's views on the upcoming revision of the Electricity Market Regulation.

According to the representative of Engie, the recently high energy prices had deeper roots than only the design of the electricity market. Several shortcomings of the market could nevertheless be addressed, to better protect consumers and to ensure that a long-term price signal is given to invest in decarbonisation.

The revision should, inter alia, allow for long term investment signals; facilitate access to PPAs (also for small consumers, as currently they are mainly accessible to large industrial consumers), possibly by public guarantees; complement wholesale energy markets by well-designed Contracts for Difference for some new assets (in line with the EU's energy and climate targets). Structurally maintaining inframarginal revenue limitation would be rendered unnecessary by these other long-term measures.

The company's representative argued that other issues should also be tackled to accelerate RES deployment, notably 'permitting issues, grid constraints and supply chain bottlenecks'.