



Speech


Speech by the Minister of Economic Affairs, Henk Kamp, on 10 April 2016, the evening before the informal meeting of EU energy ministers

Ladies and gentlemen,

Welcome to the Netherlands!

I hope you had a pleasant journey. Some of you may have just arrived. Others of you joined the boat ride along Amsterdam's beautiful canals earlier today. One of the reasons the canals were built in the seventeenth century was to transport peat to the city's inhabitants for their stoves. The canals haven't changed much since then; but our power supply certainly has. Over the centuries, we moved from peat to wood, then to coal, oil and gas, and today we get our energy from a mix of sources. During the boat trip, we pointed out some of the many energy innovations that have been developed in the Netherlands in recent years. There's so much going on in innovation here. And no doubt you could say the same about your own countries.

And that's a good thing. Because a lot needs to happen. Last year's binding

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Paris agreement calls on the world to limit the effects of climate change and shift to more sustainable sources of energy. The EU had already set itself a long-term goal to reduce greenhouse gas emissions by 80-95% in 2050.

To achieve that goal, we have to use energy more efficiently and increase the share of renewables. And while we're doing that, we have to make sure the lights stay on and our energy bills remain affordable.

This requires more than changes in use and production alone. Our infrastructure, legislation, markets and institutions need to be adapted to a new age. We are moving from a small number of technologies and energy carriers to a more diversified mix. From fixed production to increasingly flexible energy generation. And from a market with a limited number of players to a situation where consumers can also be producers.

We need to adapt our whole system to this new reality. This will require huge investments, not only from our power companies but from all of us. With oil prices so low, it might be tempting to postpone these investments. But that would be penny wise and pound foolish, because in the long term they will be



crucial. To ensure competitiveness, to keep energy affordable and to boost our economy.



This issue affects all our countries. So it makes sense to address it together. In fact, if we want to keep our energy systems affordable and reliable, it is crucial to work together. Adopting new forms of energy on a European scale is easier and more efficient. It will increase competition. And if we all have access to all the energy available across Europe, a fully integrated single market could also guarantee energy supply security.

We all know that. But it's quite obvious that in recent years the EU has struggled to meet its internal energy market objective. We really need to put more effort into aligning and coordinating our energy policies. The current debate on electricity market design provides an excellent opportunity to address this. The Dutch Presidency believes that this informal meeting of energy ministers has come at a crucial moment in time. It is an opportunity for member states to give political direction to the legislative proposals the Commission is expected to present later this year. The future of our electricity market was one of the main subjects discussed by our members of parliaments, at the interparliamentary



conference last week. And it is the subject of our meeting tomorrow.



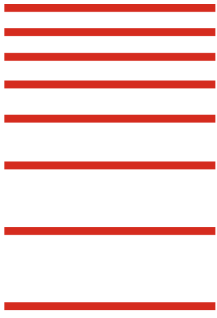
An internal market is the ultimate goal, but clearly we cannot get there overnight with today's patchwork of different national policies.



Regional cooperation can be the stepping stone. Already, member states are aligning their interests, building networks and connecting their markets. The Baltic Energy Market Interconnection Plan, and the Pentalateral Energy Forum are just two examples. Later tonight we will be focusing special attention on regional cooperation in the Northern Seas. I probably don't need to explain that Europe's Northern Seas are a promising area for the development of sustainable energy. The region's potential is currently being explored, mainly at the national level. We need to scale this up in order to cut the cost of offshore wind energy in the future.

Ladies and gentlemen,

Governments cannot make the shift to a new energy system on their own. That's why the Netherlands has made the journey to 2050 the shared responsibility of companies, knowledge institutions and government agencies. In 2013 the



Netherlands concluded the Agreement on Energy for Sustainable Growth, which sets out how we are going to meet our energy needs up to 2023. It enjoys broad support across society, which gives it much political value too.



We also want to continue along that path together after 2023. So last week we launched a broad dialogue to address how to meet our energy needs after that. The Dutch government's goal is clear: a low carbon energy system by 2050. And the way to achieve that is to work with our citizens, companies and institutions.




We'll do that by approaching our energy needs from the perspective of the user. Users need sufficient energy supplies for heating, industrial processing, transport, and power and light. We will be searching for the best solutions for each of these four functions. And what's best might not only differ from user to user, but also from location to location, now and in the future. So it's important to create scope for locally tailored solutions as well as major technological breakthroughs and business models that we haven't thought of yet.



Ladies and gentlemen,

In the end, it is companies and



knowledge institutions that change the world with their ideas, services and innovations. That's why I'm delighted that businesses and knowledge institutions are represented here this evening.

Let their work be the inspiration for our task as ministers: creating a strong, efficient market, a reliable investment climate and a network in which our companies can build on each other's technologies, innovations and business models. For a sustainable and affordable energy supply; for a competitive Europe!

And with that task in mind, I'd like to give the floor to Manon Janssen, who is CEO of Ecorys and a prominent figure in the Dutch energy sector. She will be our moderator today and tomorrow.

Thank you.