

WADDEN SEA FORUM

Thematic Group Energy

Second Meeting (TG E 3)

Hamburg, 02-03 September 2003

FINAL MINUTES

Agenda item 1. Opening (welcome, adoption revised agenda)

Documents: Revised draft agenda TG Energy (TG E 3-1)

The meeting was opened by the chairperson of the Thematic Group Energy, Mr. Schuhbauer, who welcomed the participants to the third meeting of the TG Energy. The meeting **adopted** the proposed revised draft agenda, which is in **Annex 1**, without amendments. A list of the participants is in **Annex 2**.

Agenda item 2. Adoption Minutes TG-2

Document: Draft minutes TG Energy (TG E 2)

The draft minutes were adopted without any amendments.

Agenda item 3. Announcements

Mr. Schuhbauer made some organizational announcements about dinner/lunch and the start of work at 9:00 on Wednesday morning.

Mr. Vollmer announced the late arrival of Mr. Töpken and excused the members Steef Engelsmann and Brigitte Nolopp as well as the observers Ad Littlel, Hubertus Hebbelmann and Sandra Mack, who were not able to participate in the meeting.

Agenda item 4. Brief evaluation joint workshop TG-2

Document: Draft report TG-2 workshop

The joint workshop TG-2 in June was a combined meeting with plenary, sector and thematic group sessions. The chair asked the participants for comments about structure and contents of the meetings.

Joke Stoop stated that a joint meeting has some advantages like having close contacts to the other groups and to be informed about the progress in other working groups. This was also affirmed by the other members. For all, it was very important to get an insight in other sectors to carry out common strategies.

The additional sector meeting was seen a bit more ambivalent. For some of the participants the implementation of an extra sector meeting was quite confusing, whereas others considered the sector meeting quite necessary because thematic issues could be discussed among experts.

Henk Krijnen mentioned that there are still some difficulties about the meaning of the scenario axis and their extremes, e.g the definition of united EU and federalized EU. Wim ter Horst also stated that the issue of scenario building seems to be still very abstract as it is on a theoretical level. The meeting agreed with this opinion but expected a better understanding when concrete input by the TG energy would be given.

Agenda item 5. Brief introduction to finalized external studies

The secretary informed the meeting about the status of the ordered studies.

The studies about socio-economy in Germany and Denmark are available as drafts, but just in the national languages. English summaries will probably be available by the end of October, whereas the whole Danish report will also be translated into English. The Dutch part of the socio-economic study is elaborated by the SEOW project, which will not cover all relevant issues as expected.

The policy & management study is nearly at its final stage and will be distributed and placed on the web site very soon. The executive summary will be distributed as a final draft version in week 38.

The sustainability study has been ordered and the final version is expected by end of November, whereas an introduction will be given at the WSF meeting in October.

Furthermore, Manfred Vollmer informed the meeting that a follow-up study socio-economy is envisaged to be carried out. That study should fill the gaps of information, evaluate the common and differences between the countries and should give answers to sector specific questions.

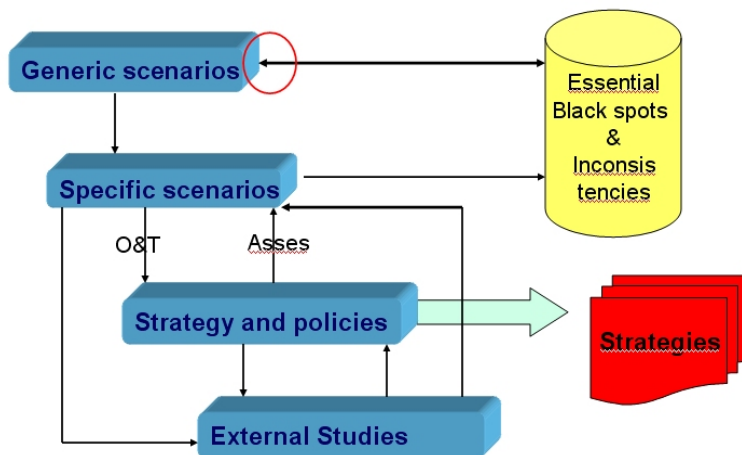
Agenda item 6. Scenario building

*Documents: Draft report on scenarios (including scenario development, skeleton and summaries)
Scenario building, TG E 3-6*

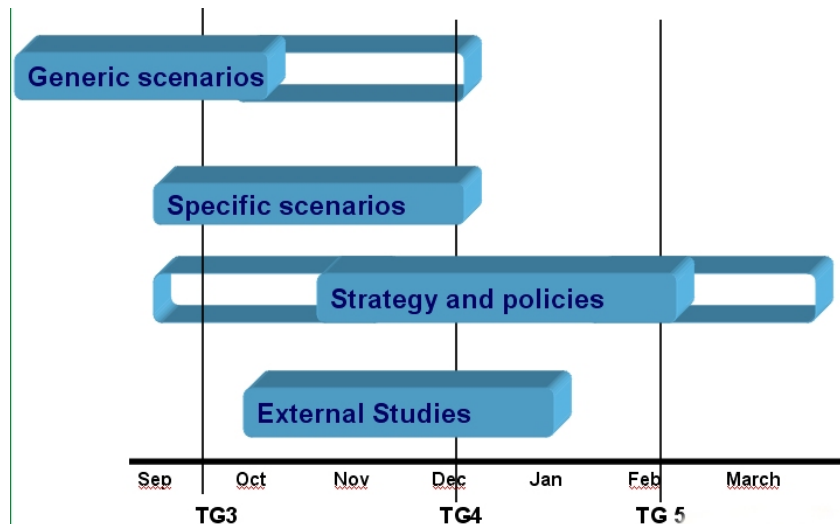
6a. Introduction of generic scenarios

The chairman introduced briefly the agenda item by referring to the results of the TG 2 workshop. Ben Römgens again explained the scenario building process in the context of the whole project to get a better understanding of where we are and where we want to go. The following scheme makes the different steps a bit clearer.

A description of the process can be found in the document TG E 3-6, which was distributed prior to the meeting. The defined black spots and lacks in plausibility of the generic scenario report will find its way into the revised version, elaborated after all TG 3 meetings have taken place.



A time table for the different working steps is given in the scheme below. The generic scenario report will be finalized by the end of October taking into consideration the comments from the TG's. The process of building specific scenarios has just started and will take to the end of 2003. On the basis of generic and specific scenarios, strategies and policies for a sustainable development of the Wadden Sea region will be elaborated. Additional necessary information will be provided by specific external studies.



After having explained the procedure of the different working steps, Ben Römgens introduced the axis and the skeleton of the generic scenarios and together with Manfred Vollmer, he illustrated the differences of the worlds (The extended skeleton is given in the document TG E 3-6). After each of the short presentations, the different worlds were discussed with regard to missing facts and inconsistencies of the story (originally agenda item 6d).

Future unlimited

Issues

1. Strong, efficient EU institutions aiming at simplification of rules and legislation. Active influence of citizens in democratic process
2. High economic growth in a liberalized market and high labor productivity due to longer working hours, and higher labor participation.
3. High technological innovation High confidence in problem solving possibilities of new technologies. High tech products and fancy functionalities and gadgets accepted easily. Most important sectors are energy, agriculture and food
4. Fierce competition on international market. Cooperation in value chains. A few big international players dominate these chains. Increased demand for energy and food in developing countries
5. High mobility, international orientated people travel a lot, both for job and leisure purposes
6. High freight traffic growth
7. Impulsive consumerism and exiting experiences characterize the dominant life style. Only a minority lives in a traditional family group.

Discussion

- effects of terrorism and diseases on mobility
- who contributes to economic growth and mobility (20% rich and 80% poor people)
- lacks in structure of EU government
- public participation will be lower than discribed

Satisfied Citizen

Issues

1. In the EU25 several bi-and multilateral cooperation's exist in a more or less free common market. There are large differences in welfare,.
2. High economic growth because of very high efficiency of production, and the high labor participation
3. Low technological innovation due to low consumer's interest in short-lived fancy products. More investments have in structural innovations.
4. Large internal EU market and protected national social and economic systems. EU is weak global player causing increasing protectionism towards the other global blocks
5. Low mobility and Strong reduction in traffic "pressure" due to Car sharing, public transport and evolution of traffic guided systems

6. Medium freight traffic growth within EU (sea and inland ship traffic have increased considerably). Reduction in long distance land transport.
7. Passive, community oriented people Well organized and efficient society in which there is no place for short-lived gadgets and frivolities. Regional self-support and the desire for high living standards

Discussion

- better explanation of mobility
- what is a paralysed EU on the political level
- where does economic growth come from
- inconsistencies, consumption and high unemployment
- is protectionism an essential function

Cautious world

Issues

1. Enlarged and strong bureaucratic united EU. EU Parliament and Court of Justice with strong authorization. Regional characteristics neglected. Regions struggle with uniform EU regulations
2. Average economic growth rates below 1,5 % per year. High unemployment.
3. Low technological innovation due to EU stability regulations forced and cost-cutting; change in consumerism; cost intensive investments blocked further investments.
4. Global markets influence nearly all trade relations. EU is a strong economic block. Trade markets have suffered a setback due to the huge national budget deficit of the US and the independent economic growth in China and South-East Asia.
5. Low mobility Due to economic situation. People are sharing a car and use public transport systems. These have not improved since 2000.
6. Low Freight traffic growth.
7. Passive, community oriented people. People behave cautiously and take no risky initiatives. Due to loss of national identity people increasingly appreciate their traditional values of family and friends.

Discussion

- better explanation of EU government
- emphasise social cohesion

Challenging world

Issues

1. Strong EU nations. National governments very successful in implementing policies in a way that fits best with the local conditions
2. Almost zero economic growth in most countries in Europe in last 2 decades. Vivid 'informal (black) market'
3. Much "high tech copying"(less investment risks). Implementation of innovations is often difficult because of (national) protectionism and differences in legislation for new products.
4. Regional markets due to global political tensions and the problems of EU companies with doing business in China
5. High mobility (Commuting) People move easily to other communities, regions (or even continents) to find a job or living conditions that fit.
6. Medium freight traffic growth. Mainly increase in growth in intra European trade
7. Active, community oriented people. Differences in culture and life style are seen as a source of inspiration. People are strongly focused on their local community. Many different lifestyles.

Discussion

- trade relation should be explained
- life style: local community or travelling around

6b. Sector specific consequences

To introduce sector specific issues in the scenarios, the meeting was asked to identify consequences of each world for the energy sector. A first brainstorm led to a list of possible trends and consequences in the four worlds.

Cautious World:

- Massive imports from Algerian gas and Russian oil and gas
- No more nuclear power stations. Although some people start reconsidering the issue
- Relative more coal based plants
- Pan European pipeline planning
- Old and poor quality pipelines are gradually substituted by better ones due to better legislation
- Finding better ways to bring the fossil, wind and solar energy to the customers is a big issue.

Future Unlimited:

- Advanced introduction of new technologies (demand, money and high tech innovation).
- Use of all available resources (demand)
- Demands will increase
- High investments in plants
- High prices
- Energy saving is important
- Important but no powerful enforcement possible in a global world.

Satisfied Citizen:

- Fragmented energy markets
- Imports are difficult
- Big scale renewal of energy plants using available techniques to improve efficiency
- Heavy use North Sea Gas and oil => running out of supply relatively fast.
- Urge to improve relation with Russia and Algeria to get imports.

Challenging World:

- No gas from Russia
- Oil is still the biggest source, but we use all we get
- Abandoning of nuclear power postponed
- Hydrogen as the most popular new comer
- No growth in demand, maybe decrease because of savings
- High prices (because restrictions)
- Main issue because of supply and ecological awareness

The secretary asked the meeting to take also social and political priorities into consideration. The Shell energy scenario for 2020 indicated the following issues as the most important factors that influence the development of the energy market:

- resource constraints
- technological development
- changing social and political priorities

According to these statements, the meeting briefly discussed the influence of policies. The delegates from the energy sector asked for a reliable energy concept, which should include the determination of priorities, time frames and coordinated legislation on EU level.

Counter statements from Herman Verheij and Manfred Vollmer that international agreements like the Kyoto protocol and national policies e.g. abandoning of nuclear energy, insulation of buildings, etc. are already good guidelines, were not accepted as a sufficient policy concept by the energy representatives. These agreements and guidelines were just seen as a few initiatives rather than a concept.

Kjeld Nielsen reported about the Danish energy strategy with e.g. a sound legislation, subsidies for renewables and new techniques, using waste heat of power plants and a sufficient insulation of buildings.

Henk Krijnen stated that an overall energy concept for the next 20 years on EU level would be very complex and too difficult to be elaborated. Even the elaboration of a national concept for the Netherlands was given up because it was thought as not necessary.

6c. Specific trends

As a starting point for building the skeleton for the specific scenarios, the meeting discussed the list of specific trends, elaborated at the last meeting in Assen (see draft minutes of TG E 2), and made an update by combining as well adding some trends. The most important trends were:

- renewable energy (including wind energy)
- fossil energy (hydrocarbons)
- energy production at home
- energy storage
- landscape and environmental restrictions (production, cables, plants, emissions, pollution)
- transport and distribution of energy
- energy saving, behavior and education of people
- capital supply for energy market
- energy policies

Some of these trends were further analysed to get a first insight in the meaning, contents and relevance. The results are given by a keynote list.

Landscape and environmental restrictions

- increasing complex restrictions (EU, national, local)
- global restrictions
- migration of companies to other countries and cheaper, sophisticated technology is imported
- positive influence on innovations
- new possibilities and challenges
- negative impacts on used sources

Fossil energy (hydrocarbons)

- national production is decreasing
- growing imports necessary
- using full capacity from Russia
- hydrocarbons will be the main source for energy supply
- growing demand for storage to secure the supply
- storage of CO₂ in gas fields
- necessity for ongoing Hydrocarbon production (gas and oil) in the Wadden Sea is seen as a basis for implementing alternative energies
- new transport capacities
- decrease and change in power plants
- growing pressure to use what we have
- influence of political stability
- development of energy costs
- acceptance of energy saving concepts

Energy policies

- reaction on import problems
- influence of national and EU policies
- requested definition of targets
- influence of the society (NGO, consumers, etc.)

Transport and distribution of energy

- balance between cheap and safe (important) transport
- decisions pipeline – vehicle
- cable installation will grow
- additional pipelines for oil/gas import
- reliable supply: regional production, increasing prices
- acceptance of increasing number of grids

Besides the discussion about specific trends within the energy sector, the issue was risen, whether energy as such (supply, demand, use, etc.) is a generic trend. It was stated that energy is relevant for all other sectors and essential for life.

The meeting agreed to deliver a contribution to the enhancement of the generic scenario report by including a chapter energy for all 4 worlds. The secretariat and the energy experts of the TG will take on this job.

At short notice, the other TG will be informed about the described intension to be aware of that issue in their meetings.

Agenda item 7. Strategies

After having built the specific scenarios, the next step in the work program would have been developing strategies for the different sectors. Strategies in this respect are policies, measures, actions and projects which will be carried out by the different stakeholders and institutions. If a strategy is able to “survive” or will be feasible in basically 3 out of the 4 worlds it, is considered a robust strategy and therefore a strategy which it would be worthwhile to pursue.

It was intended to start this process at TG 3 at the same time as the identification of the sector specific trends. Because of time constraints, the topic was postponed and the work had to be organized in another way. Within the next weeks, a first draft list of policies and strategies will be elaborated by the TG members. This will be coordinated by the secretariat and the necessary communication will take place via e-mails and phone calls.

Agenda item 8. External expert studies

Analogue to the working procedure for developing a first draft of strategies, the TG members will be asked to contribute in identifying gaps of knowledge and information with regard to energy. Missing information, but relevant for the specific scenarios and development of policies and strategies, should be mostly covered by the follow-up study socio-economy (see agenda item 5). If there are still unsolved questions thereafter, an additional external expert study has to be taken into consideration.

Within the next weeks, the TG members will be asked by the secretariat to define open questions with regard to energy. The requests will be integrated in the Terms of Reference for the follow-up study.

Agenda item 9. Any other business

1. The meeting stated that more time is needed to held the meetings. The working steps are very complex and time consuming, and it was agreed to schedule the TG E 4 meeting for one and a half day. This means, the meeting will commence at noon on Wednesday, 3rd December and will last till about 17:00 h on Thursday, 4th December. Details will be given later.
2. Work, still to be done under the TG E 3 program will be carried out by e-mail and phone call contributions. **Everybody agreed**, to support the work.

Agenda item 10. Closing

The chair thanked all participants for coming and their cooperation, invited the meeting for lunch and closed the meeting at 12:30 hours on Wednesday, 03 September 2003.

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AGENDA

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