



**CERT MEETING ON 9<sup>th</sup>-10<sup>th</sup> APRIL, 2002**  
**IEA-PARIS**  
**SPANISH ROUNDTABLE CONTRIBUTION**

## FOREWORD

Energy Policy is placed in the Ministry of Economy, under the Office of the State Secretary of the Economy, Energy and Small and Medium Enterprises.

The Ministry of Economy, in order to examine the impact, in the energy sector, of a number of factors that are either highly uncertain, such as new interconnections with neighbouring countries, aiming at increasing security of supply and enhancing cross-border completion or highly critical for the energy outlook, such as the new power distribution and generation capacity requirements at a time when global trade liberalisation is likely to emphasise the importance of energy as a means of gaining international competitiveness, and the continuous progress in the gradual creation of a single energy market within the EU, that will generate a number of new policy issues, the Government has seen necessary to present a first draft of **energy network planning**, a consistent energy outlook for the period 2002-2011, with the overall objective of the Spanish Energy Policy (mainly to help ensure security of supply at competitive prices and in an environmentally compatible way).

## THE ENERGY NETWORK PLANNING

This document, presented by the Government in February, 2002 and titled “**Planning and Development of the Electric and Gas Transport Networks 2002-2011**” is based upon a scenario where the demand for energy will increase in this decade by 3.4% annually, one point above the European Community average, and natural gas will be the energy with the greatest growth, for which new exporting countries will have to be sought. This Planning expects a yearly GDP increase of 2,8% on average to 2005 and by 3,1% to 2011.



The present draft document, will be debated by a specially formed Congressional Committee until next June, and later would be adopted by the Government. It will only be compulsory for state-regulated companies operating in the sector. The nation's electricity network operator "Red Eléctrica de España" (REE) and gas distributor ENAGAS are therefore the only companies that will be forced to abide by the Plan.

The Secretary of State for Economy, Energy and SMEs assured that this Plan will cover Spain's energy needs until 2011, based on an annual growth in demand of 3.4 percent.

#### SECTORAL AND FUEL-MIX TRENDS.

- a) Natural gas will be the energy with the greatest growth in the next ten years, reaching 22,5% of the total in 2010 as opposed to 12,2% in 2000. This is basically due to its use in the production of electricity
- b) The consumption of electricity will grow at a rate of 3,75% annual in this period, with an average increase of 3,59% between 2000 and 2005, and of 3.91% between 2005 and 2010.  
In the year 2001, the demand increased by over 5% for the fourth year running, making a cumulative increase of 50% over the last decade
- c) In 2010 the share of hydrocarbons will continue to predominate and natural gas will be the source of greatest growth while the consumption of oil will increase but maintain a share of about 50% of the total.
- d) With regard to the structure of electric generation, coal will continue its downward trend and nuclear energy will remain steady and therefore will be of less importance in the overall structure.

From the present percentage of 27.6% nuclear energy will go down to 20.1% in 2010. No new nuclear plants are foreseen to be built in this period.



Similarly, coal will decrease from a 35.9% share of the generation of electricity to a 12%, natural gas from 9.7 to 34.2%, oil products from 9.9 to 4.8% and renewable energies, on the other hand, will increase from 16.9 to 28.9%

e) The contribution of renewable energies will increase significantly, reaching the objectives of the Plan for Promoting Renewable Energies- to have 12% of primary energy by 2010 from RES.

According to the forecasts contained in the draft, the power of the special regime -small and medium electricity producers, based mainly on RES and CHP- will reach 25.000 MW of which 10.000 MW will be of heat origin and 15.000 MW will correspond to wind parks and minihydraulics.

In this Energy Network Planning, environmental issues have also been considered. Commitments of the LCP, IPPC and National Emission Ceilings EU Directives have been taken into consideration. Moreover it will help to fulfil the Kyoto Protocol requirements due to the introduction of gas, and the improving of energy efficiency in the new facilities.

26 March 2002