

# Opening speech



**Olivier Appert, Chair, Conseil Français de l'Énergie**

Good morning and welcome to Paris for this 6<sup>th</sup> European Energy Forum, devoted this year to the question of business models for European energy systems.

We are clearly in the midst of a transition to a sustainable energy system. The energy sector today therefore faces a certain number of major game changers.

First, a technological game changer: the digital revolution.

Second, an industrial game changer: the emergence of China and unprecedented levels of mass production.

Third, a social game changer: a change in consumer behaviour with respect to energy use.

Fourth, a political game changer: the growing involvement of local territories around the world.

These game changers have a particular impact on two sectors – electricity and transport – that are experiencing a strong growth in demand.

When it comes to the technological game changer, the digital revolution has opened up the possibility of new services and new business lines based on availability of data. It represents a new ecosystem for the creation of value. Energy production has already integrated the opportunities brought by digitalisation. That is the case of big data for the shale production in the United States or the use of predictive maintenance elsewhere. It also has an impact on consumption, with the optimisation of motorisation and energy efficiency. Digitalisation has also led to the creation of new disruptive services, with Uber being a case in point here. Finally, new players are emerging in the energy sector: the so-called GAFAs with the Apple Car or the Google Car, and a large range of start-ups that seek to play the role of integrators.

We also face an industrial game changer. Energy markets are increasingly global, and China has emerged as a major technological and industrial player in this sector. This has led to an unprecedented shift to mass production having a major downward effect on prices. It has also opened up new perspectives for renewable technologies, which are highly favourable to decentralised production. As renewables have a very low marginal cost, this considerably changes the mechanisms of price calculation.

The social game changer means that these technological evolutions have changed the balance of power between the producers and consumers of energy. Consumers seek to control their consumption

## 6<sup>TH</sup> EUROPEAN ENERGY FORUM: WHAT BUSINESS MODEL FOR ENERGY IN EUROPE?

and become active consumers. This has led to the development of self-consumption system and the use of new payment methods such as blockchains.

The political game changer means that local authorities have now placed the energy transition firmly within their priorities, be it in transport or urban planning. That is exemplified in the smart city concept. They are also becoming a key player in the energy sector.

Clearly, all of these game changers also have an impact on the business models deployed by the energy sector. What strategies will be deployed by players in this context? What is the role of the regulatory framework? Are we witnessing a revolution or an evolution in the business model? Over the next two days, we will have ample opportunity to delve into all of these questions, which are so relevant to the energy sector today.



**Jean Eudes Moncomble, Secretary General, Conseil Français de l'Énergie**

Welcome to Paris to the 6<sup>th</sup> European Energy Forum, which will be held in French and English. The Forum will be organised as follows:

- Session 1 will consider the emerging technological developments, including digitalisation and renewable energy, and their impact on business models – those business models represent the underlying theme of our 2-day meeting.
- Session 2 will explore the issue of consumer behaviour.
- Session 3 will focus on electricity, in particular regarding the regulatory framework, which will have to take into account the technological developments explored above.
- Session 4 will be a workshop led by the World Energy Council where we will consider centralised versus decentralised electricity production within the so-called energy trilemma.
- Session 5 will consider the question of urban mobility, which will have a significant impact on the business models deployed by the energy sector.
- Session 6 will focus on the role of local authorities, in particular with respect to the collection of big data and the development of new business models.
- We will conclude with a Round Table summing up the 2 days of discussions, with particular emphasis being given to the game changers outlined by Olivier Appert above. It should allow us to answer the question of whether we face a simple evolution in our systems or indeed a revolution or paradigm change.

Before moving to our first session, I would like to thank Pierre Gadonneix, former Chair of the World Energy Council, for his presence at our Forum.