



**Infrastructure investments in times
of crisis: drawbacks and opportunities**
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The LOGSTOR Group

LOGSTOR

- Global leader and specialist in pre-insulated pipe systems
- Pre-insulated pipes are used for transporting fluids over long distances with minimum loss of energy
- The LOGSTOR products provide customers with
 - Cost efficient systems and technologies
 - Energy saving solutions

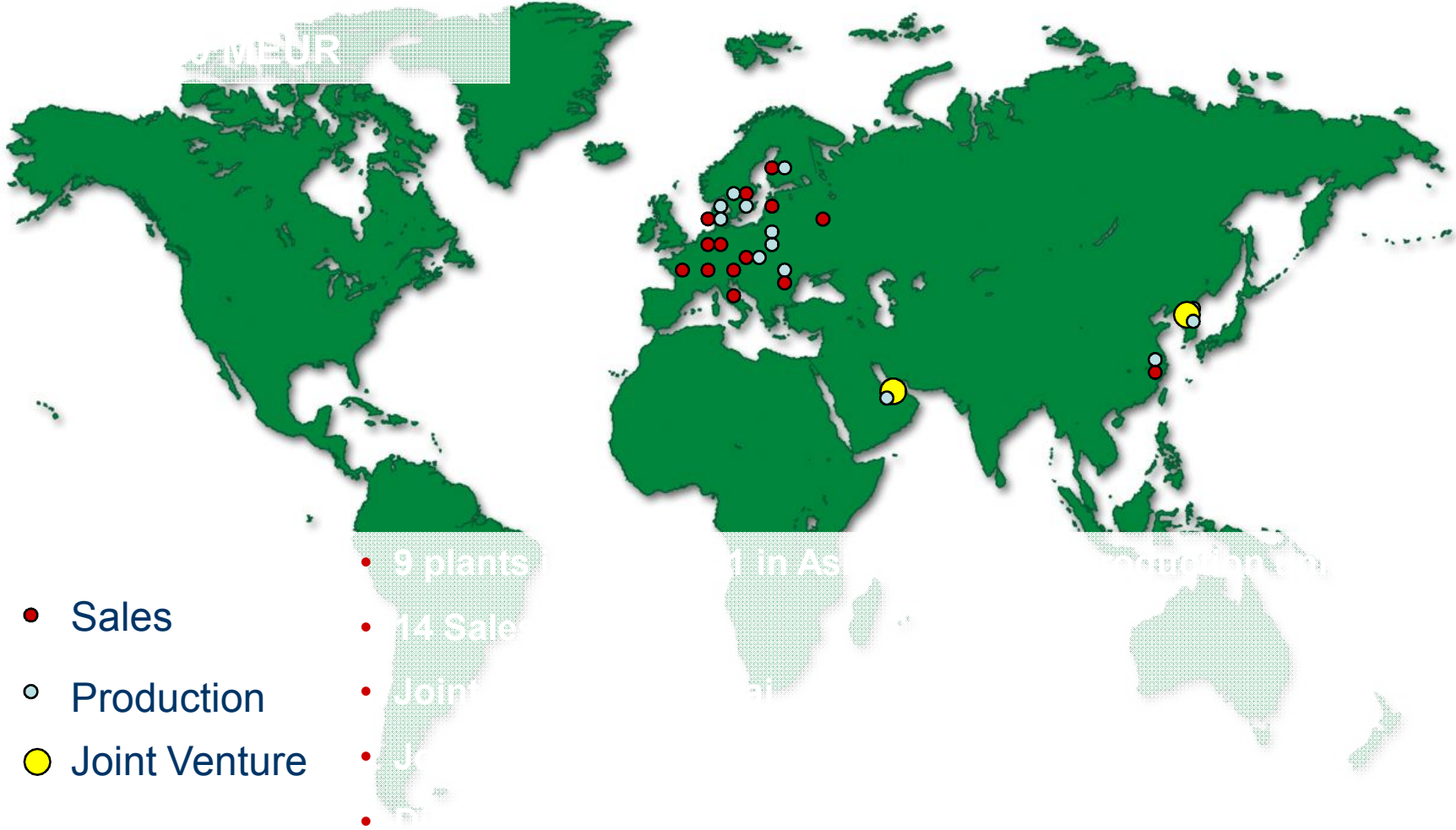


LOGSTOR
distributing energy efficiency

The LOGSTOR Group



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- Business Areas



The climate objectives

- The political energy and climate agenda well aligned with our sector's vision
- Reduced CO₂ emissions and Oil & Gas dependency is a top priority



EU 20/20/20 targets for 2020

- **20% reduction in GHG emissions vs. 1990**
- **20% increased energy efficiency**
- **20% renewable energy**



- **The key to drive energy efficiency lies within our sector**



The means - CHP & District Energy

- Multifuel**
- Coal
 - Natural gas
 - Bio mass
 - Wind
 - Solar
 - Geothermal



Combined
Heat
Power

District
Energy

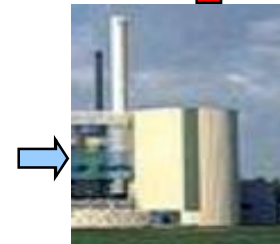
- Multifuel energy systems
- Electricity - Heating - Cooling

The means - CHP & DE

Comparing energy efficiencies

Standard Power Plant

Fuel input = 100%



60% of energy wasted as heat to the environment

40% energy output as electricity

Combined Heat & Power plant - District Energy plant

Fuel input = 100%



10% of energy wasted as heat to the environment

40% energy output as electricity
50% energy produced for heating and/or cooling distributed by district energy system



Co-generated electricity amounts to an average of 11% in 2003 in Europe.

The effect of doubling the current district heating coverage

- Lower import dependency of 4.5 EJ – equivalent of Poland's energy supply
- Improved energy efficiency leading to a reduction of the primary energy supply of 2.1 EJ – equivalent to Sweden's energy supply
- Reduction of 400 million tons CO₂ per year – equivalent to the emissions from fuel combustion in France

Source: Ecocool study

***By doubling the EU District Energy coverage
>50% of the EU targets by 2020 will be achieved***



- *“It is more important than ever that we move ahead with our energy and climate change package - not despite the financial crisis but, at least in part, because of it“.*

Oct. 2008 Jose Manuel Barroso, European Commission President



- *“The policies we need to overcome financial crises are the same to combat climate change. We need green sustainable growth. Green efficiency is sound economics”.*

Jan. 2009 Anders Fogh Rasmussen NATO Secretary General elect



Separating and dealing with the two crises individually is misleading and misses, or avoids, the point entirely!!!



The time for action is now....

- Political framework in place
 - EU stimulus packages – to speed up infrastructural investments
 - EU structural funds – to invest in technologies for sustainable growth
 - EU Climate agenda and policy – to lead the way for other countries



Global commitment in Copenhagen 2009 a MUST!
- US, Russia and China to take leadership also



The BIG but!

No directive or global agreement is stronger than its national implementation or enforcement

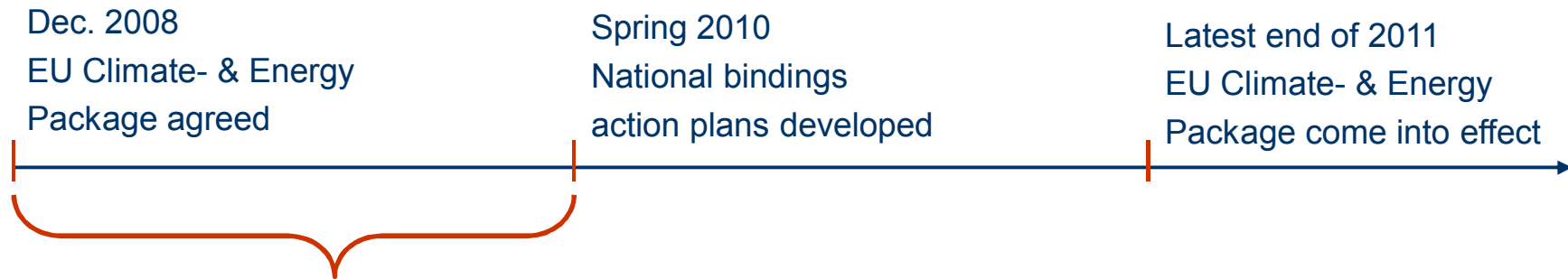
- National interests currently a major concern
- EU Structural funds spending currently on standby
- Energy markets liberalisation currently on standby

- Tell the world about the benefits of CHP & DE
 - Knowledge exchange, benchmarking and networking
- EHP members to push national governmental plans
 - Less dependency of fossil imports
 - Energy efficiency - economy / investments / payback
 - CO2 reductions

New National Heating/Cooling plans a necessity

Our sector has a value proposition that cannot be rejected

Time schedule – EU Climate- and energy package

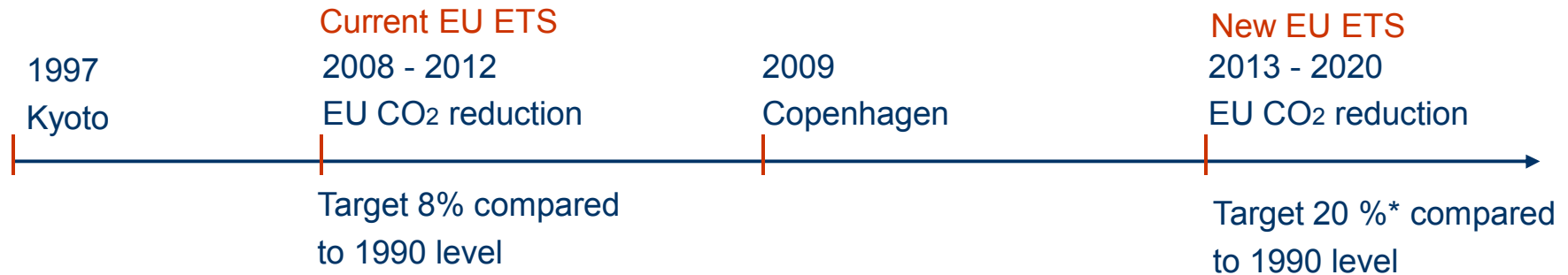


- National CHP & DE “action plans” to become part of member states Climate implementation plans during spring 2010
- Funding?
- We are in a hurry!!!!



National footprints now!

Revised EU Emission Trading System (ETS) **LOGSTOR**



() If global agreement is achieved in Copenhagen 2009, EU is willing to move on 30% in 2020 as target*

- Going from the old to the new EU ETS will incur significant changes



Revised EU Emission Trading System (ETS) **LOGSTOR**

- **Uniform EU targets with shared allocations of allowances**
 - *Internal EU distortion of competition is removed*
 - *From national decentralized to EU centralized control and handling*
- **Change in “free of charge allowances”**
 - *From historical emissions allocation to benchmarking with 10 pct. best performers*
 - *Carbon leakage – free allocation of emissions*
 - *Exposed sectors – 100 % free*
 - *Non-exposed sectors – from 80 % (2013) to 30 % (2020)*
 - *Power sector – 0 % free allocation – 100 % auctioning!!!*

The incentive for investment in sustainable growth technologies has become obviously



We share a common objective....

- In a time of a deep economic crisis, energy solutions that are:
 - *financially attractive*
 - *well proven and*
 - *climate sustainable*will be the winners
- **CHP & DE will definitely be one of the winners**

District Energy:

*A well proven low hanging fruit
just to be picked and enjoyed!!!!*

