

# The Power and the Glory



Vincent de Rivaz is the Chief Executive of EDF Energy, one of the UK's leading energy companies, which he created mid 2003 by the merger of the former Seaboard and the group of companies of London Electricity Group, and which is part of the French group EDF SA. Here he shares with INFO his thoughts on his company's strategy, which should benefit from the UK government's recent decision to approve the building of the next generation of nuclear power plants – a first in the UK for more than two decades.

**INFO: The UK government just gave the go-ahead for the next generation of nuclear power plants!...**

**Vincent de Rivaz:** Unlike France, in the 70's and 80's the UK had a huge gas and oil reserve. The UK is now facing three main challenges: security of supply, climate change and energy affordability. Nuclear is not the only solution but there is not, I believe, a solution without nuclear power. Nuclear power is cheaper than any other alternative and is CO<sub>2</sub>-free. Now that we have a positive decision from the UK government, we will be willing to invest in up to four new plants provided the right framework is in place.

**I: You've committed to produce electricity with 60% less CO<sub>2</sub> by 2020...**

**VdR:** In June, on World Environment Day, we announced "Our Climate Commitments": the most comprehensive plan from any UK company to target climate change. It covers three categories of action: 1) How we will generate electricity with less CO<sub>2</sub> emissions with a 60% reduction in

carbon intensity by 2020 ; 2) What we as a company can do – we have committed to reduce CO<sub>2</sub> emissions from our offices and depots by 30% by 2012; 3) How we can help our customers reduce their energy consumption, through 'Read. Reduce. Reward' schemes for example.

**I: EDF Energy is a sustainability partner for London 2012...**

**VdR:** London 2012 is a once in a lifetime opportunity. I like the values of the Olympic spirit – go for gold, train harder, be innovative, help each other; I'm using this as a managerial tool - and, because there's a sustainability element in that partnership, it fits very well with what we are trying to achieve as a group. We will help make London 2012 the greenest Games ever through a number of measures including the under grounding of overhead lines crossing the site of the Olympic park, the supply of renewable electricity for the Games and the provision of a low carbon fuel for the Olympic Flame. As part of this partnership, we

will also organise lots of events promoting sustainability. Around 30,000 people have already signed up to the EDF Energy 2012 Carbon Challenge in which consumers are encouraged to take practical steps to reduce their home energy carbon footprint by 15% by 2012.

**I: Was the backing of both the London and Paris bids ever an issue?**

**VdR:** Backing London was never an issue. We are a London company, a British company and an international company. So, once the bid process was over, it made great sense for the whole EDF group to sponsor the 2012 Olympic and Paralympic Games in London. This is great, for staff, customers and everyone involved with EDF Energy and EDF.

**I: The company has been developed through acquisitions. Why this strategy?**

**VdR:** The company the group acquired in the late 90's was small and we knew from the outset that we had to grow the business. There is no place for small business in this market. You need to have the critical scale to be present on the whole value chain and have the right level of integration. That's why I saw, at one point, the company trebling in just six months! We created one single company by the merger of several and since then the objective isn't to be bigger and bigger but better and better. We're truly focused on five major ambitions: to provide the best service for customers; to provide an excellent working environment for employees; to create value for shareholders; to be a safe and responsible company; and to be a point of reference for matters in our industry.

**I: Can EDF Energy's strategy be a blueprint for the group?**

**VdR:** The UK market is at the moment unique in Europe. It has led the world in opening energy markets to competition, whilst customers have also benefited from strong regulation. Things nevertheless remain country specific, so there can't be only one single model. All EDF subsidiaries are building on synergies, exchanges and best practices. We always have to learn from each other.

**I: How do you respond to those who believe that energy delivery should be a public service?**

**VdR:** It is a public service. But that does not mean it has to be publicly owned. We're a public service but a private company. However because we are selling something that is absolutely essential to the individual and the economy, there are some rules that the regulator has set: we have to ensure the quality of the service and the security of the supply; we also have to respect the environment. That we are commercial is not in opposition with our commitment to take our wider social responsibilities very seriously, particularly when it comes to our 'most in need' customers.

**"Nuclear is not the only solution but there's not a solution without nuclear power."**

**I: I understand that EDF SA makes 95% of its turnover in Europe...**

**VdR:** The group's strategy has clearly been to strengthen its position in the biggest European markets. However, largely because that goal has been achieved, we have important interests outside Europe. In particular, we have signed major contracts in the last year in the USA and China, where we now have joint ventures to invest in and build nuclear power plants.

**I: You've been with the group for 30 years. How have you seen it evolve over these years?**

**VdR:** I am a hydro-engineer by background and, in October 1977, I was given the opportunity to work with a large hydropower development overseas. The fact that I joined a company that became in three decades what it is today means that I had the opportunity to see my position evolve within the company. And the changes have been dramatic, with EDF moving from being a national monopoly to being a major international group, European leader in a competitive market, and a listed company.

**I: What attracted you to the UK challenge?**

**VdR:** To take full responsibility of a large subsidiary was in line with my ambition to be at the cutting edge of business. I couldn't have imagined a better opportunity.

**I: You've recently been appointed Vice-President of the Chamber...**

**VdR:** It was a great honour. This is a great time for Anglo-French relations and I am very pleased to play my part in that.

**I: And you've also just been elected 'Français of the Year'...**

**VdR:** Obviously, it was very nice to receive this award. I love being a French CEO of a British business and living in London. Being the owner, operator and maintainer of the private network powering the new high speed line from St Pancras International, we're fully part of the UK fabric and I hope that many of the voters are happy customers of ours. Electricity provider for the Channel Tunnel, we're powering the link between France and Britain. All in all, I hope that I have always been a good ambassador for France in the UK and vice versa. ■

Interview by Delphine Dewulf

\*On 10th January, UK Energy Minister John Hutton approved the building of new generation nuclear power plants.  
\*City Circle, a club for French expats who graduated from a Grande Ecole, organised a poll where French expats voted for their favourite 'Français of the Year' in 5 categories. In Business, Vincent de Rivaz of EDF won the executive category whilst Franck Pettigat, Morgan Stanley's head of international investment banking, topped the financier section. Marc Levy was elected best writer, Club Gascon restaurant co-owner Pascal Aussenac won top chef and rugby legend Raphaël Ibanez took top sportsman.