



## TABLE OF CONTENTS

1.	The Challenges.....	3
1.1.	Sustainability.....	3
1.2.	Security of supply .....	3
1.3.	Competitiveness .....	4
2.	A Strategic Objective to guide Europe's Energy Policy .....	5
3.	The Action Plan.....	5
3.1.	The Internal Energy Market.....	6
3.2.	Solidarity between Member States and security of supply for oil, gas and electricity .....	10

.....3.2. ....s Tw(4 )Tj-37.295 -1.0u 1599 Tw[( gas and e0.0tricity...035redu.....t...EU E....3645.3(s)-....7163

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN COUNCIL  
AND THE EUROPEAN PARLIAMENT**

**AN ENERGY POLICY FOR EUROPE**

2030. How supply will keep up with this demand is unknown: the IEA in its 2006 World Energy Outlook stated that "the ability and willingness of major oil and gas producers to step up investment in order to meet rising global demand are particularly uncertain"<sup>2</sup>. The risk of supply failure is growing.

In addition, the mechanisms to ensure solidarity

## **2. A STRATEGIC OBJECTIVE TO GUIDE EUROPE**

designing and implementing the individual measures<sup>7</sup> and it will be necessary to develop the

these objectives. There are signs that this lack

Secondly, they must be given not only the task of promoting the effective development of their national market, but also that of prom



In anticipation of a formal decision bei

€150 billion of investment on gas-fired power plant and an additional €220 billion on gas infrastructure. The overriding priority in terms of securing adequate new investment is a properly functioning Internal Energy Market, providing the correct investment signals. In addition, close monitoring of the demand/supply balance is also needed, to identify any potential shortfall. This will be a key role for the new Office of the Energy Observatory (see below).

### *3.1.7. Energy as a public service*

Energy is essential for every European. Existing European legislation already requires the respect for Public Service Obligations. But the EU needs to go further in tackling energy poverty. The Commission will develop an Energy Customers' Charter with four key goals:

€ assist in establishing schemes to help the most EU vulnerable citizens deal with increases

developed to bring gas from ne

Key measures include:

€



set their own specific objectives for electricity, biofuels, heating and cooling, which would be verified by the Commission to ensure that the overall target is being met. The Commission will set out this architecture in a new renewables legislative package in 2007.

A particular feature of this framework is the need for a minimum and coordinated development of biofuels throughout the EU. While biofuels are today and in the near future more expensive than other forms of renewable energy, over the next 15 years they are the only way to significantly reduce oil dependence in the transport sector. In its Renewable Energy Roadmap and Biofuels Progress Report<sup>22</sup>, the Commission therefore proposes to set a binding minimum target for biofuels of 10% of vehicle fuel by 2020 and to ensure that the biofuels used are sustainable in nature, inside and outside the EU. The EU should engage third countries and their producers to achieve this. In addition, the 2007 renewables legislative package will include specific measures to facilitate the market penetration of both



European Strategic Energy Technology Plan, other action will be required to catalyse international research and action on CO<sub>2</sub> capture and storage.

To provide global leadership, the EU must provide a clear vision for the introduction of CO<sub>2</sub> capture and storage in the EU, establish a favourable regulatory framework for its development, invest more, and more effectively,





The EU already speaks with one voice in negotiations of international agreements, notably in

€ As already mentioned above, an intern

#### **4. TAKING WORK FORWARD**

€ Establish in 2007 a new Community mechanism and structure for Transmission

Directive to put this into practice during 2007 specifying their national targets and the procedure for developing National Action Plans to meet them;

- € Endorse the need for an ambitious and targeted European Strategic Energy Technology Plan and welcome the Commission's intention to formally propose such a Plan in 2007;
- € Confirm the priority of making rapid progress in providing a clear perspective when coal- and gas-fired plants will need to install CO<sub>2</sub> capture and storage in the EU and establishing a mechanism to stimulate the construction and operation by 2015 of up to 12 large-scale demonstrations of sustainable fossil fuels technologies in commercia

## **Annex 1**

### **EU International Energy Policy Priorities**

The priorities to be pursued by an external EU Energy Policy during the next three years are:

- € Driving forward international agreements, including the post-2012 climate regime, the extension of emissions trading to global partners, the future of the Energy Charter Treaty







**Annex 3: The advantages and disadvantages of different energy sources for heating**

**Annex 4: The advantages and disadvantages of**