



The EU 2030 framework and energy security

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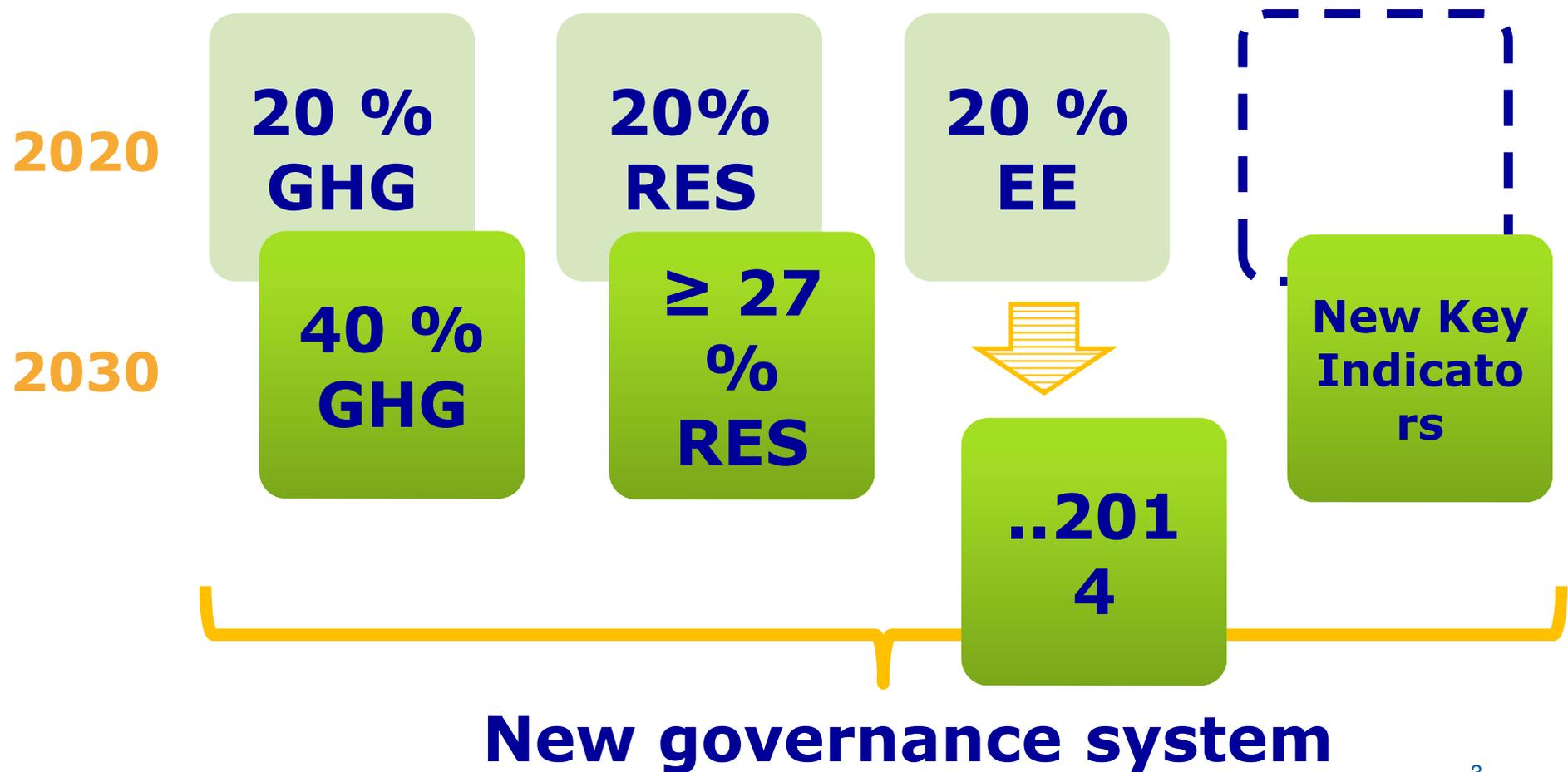




Outline

- Communication "2030 Climate and Energy Framework" (January)
- March Council
- EU Energy Security Strategy (May)
- June Council
- Energy Efficiency Communication (July)
- New Commission

2030 climate and energy Framework





Main challenges...

Energy costs

- **Increasing** in any event: renew **ageing** energy system, rising fossil **fuel prices**, meeting the climate and energy targets already agreed upon

Additional **investments** to achieve 2030 framework

- Shift away from **fuel expenditure** towards investments, additional **€ 38 billion** investment/year 2011-2030 compared to the reference scenario

Differences between Member States

- Future discussion will have to be centred on how to ensure an **equitable effort sharing** affordable for all



Transport:

The Commission does not think it appropriate to establish new targets for renewable energy or the greenhouse gas intensity of fuels used in the transport sector or any other sub-sector after 2020.

The Commission has already indicated, for example, that food-based biofuels should not receive public support after 2020.

The focus of policy development should be on... second and third generation biofuels and other alternative, sustainable fuels.





European Council Conclusions March 2014

Ensure affordable energy prices, industrial competitiveness, security of supply and achievement of our climate and environmental objectives.

Substantial progress has been made towards the targets for greenhouse gas emission reduction, renewable energy and energy efficiency, which need to be fully met by 2020.

The European Union will submit its contribution [for COP 21 in Paris 2015] at the latest by the first quarter of 2015.

Framework on greenhouse gas emissions, renewables and energy efficiency, to be elaborated on the basis of the Commission communication.



The European Council invites the Council and the Commission to:

- analyse the implications for individual Member States of the Commission's proposals for EU-wide targets;
- elaborate mechanisms which will result in an overall fair effort sharing and foster the modernisation of the energy sector;
- develop measures to prevent potential carbon leakage and call for long-term planning security for industrial investment in order to ensure the competitiveness of Europe's energy-intensive industries;
- develop an energy efficiency framework.



EU Energy Security Strategy (28 May 2014)

Key actions:

- Immediate actions aimed at increasing the EU's capacity to overcome a major disruption during the winter 2014/2015
- Strengthening emergency/solidarity mechanisms including coordination of risk assessments and contingency plans; and protecting strategic infrastructure
- Moderating energy demand
- Building a well-functioning and fully integrated internal market
- Increasing energy production in the European Union (incl. renewable energy)
- Further developing energy technologies
- Diversifying external supplies and related infrastructure
- Improving coordination of national energy policies and speaking with one voice in external energy policy



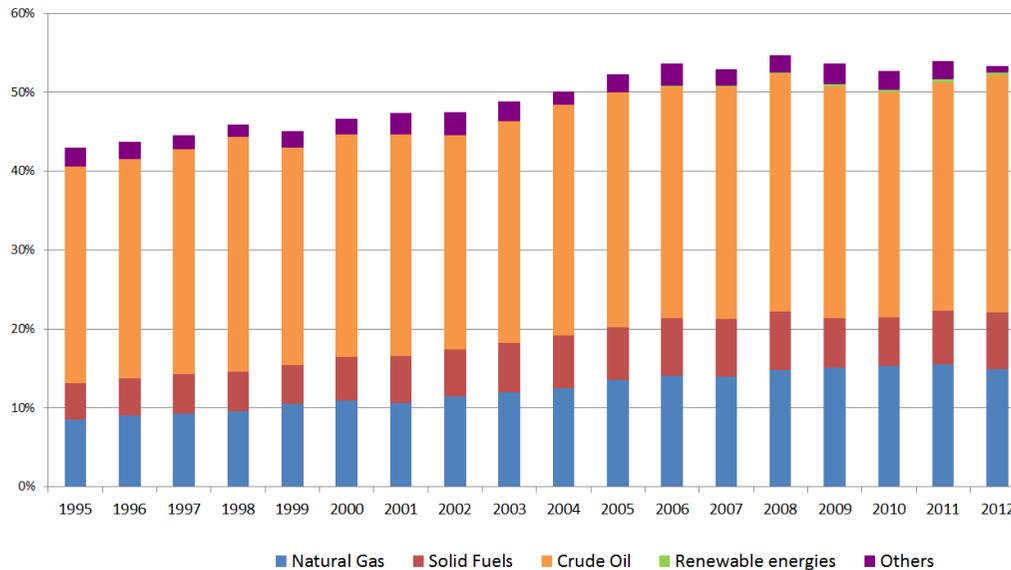
Medium to long-term challenge: Renewable energy

- 20% RES by 2020, but market-based
- Coordinated RES support
- Accelerate fuel-switch in heating
- Supporting Finance for renewable projects (EIB, national investment banks, ESI Funds)



Import dependency has increased

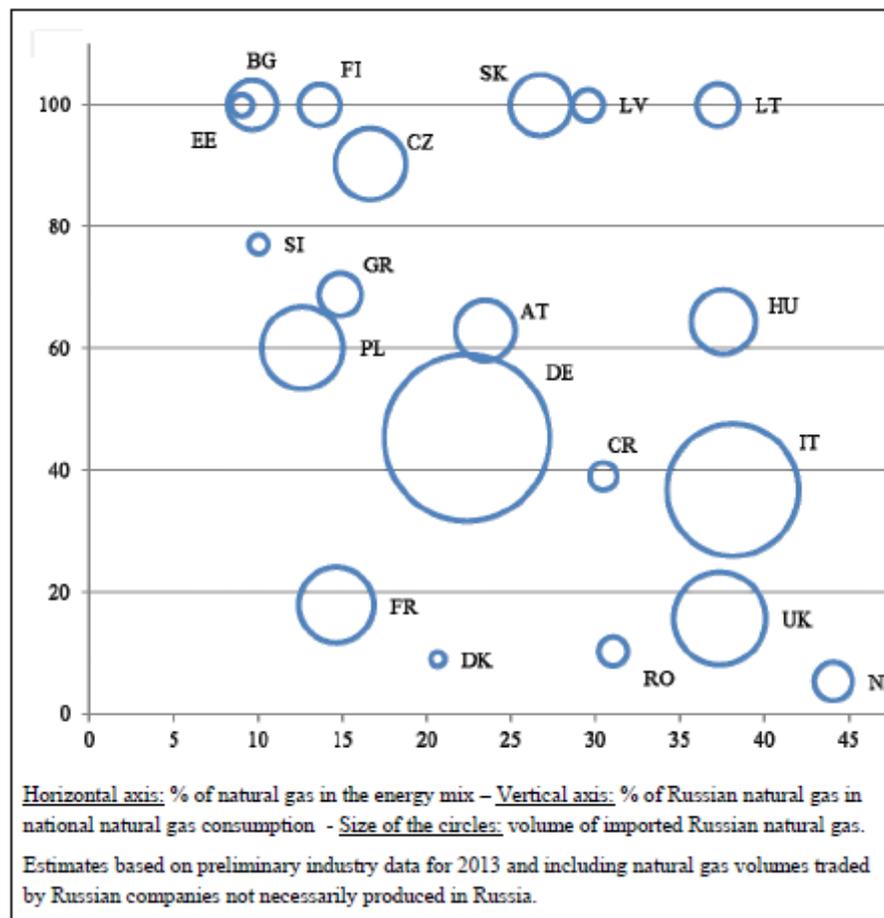
Import Dependence in the EU, %



Source: ESTAT SIRENE v2, Final data as of 02 May 2014

- Since the mid-90s import dependency up by 10 percentage points, but relatively stable in recent years
- Significant decline in production of oil, gas and coal due to depletion of EU reserves and closures of uncompetitive sources against demand that was steadily growing until 2006, but flattening out since then

Natural gas: in the spotlight for disruption risks



- High import dependency (66%) and import bill (approx. 87 billion Euro in 2013), limited number of suppliers
- Six Member States depend on Russia as single external supplier for their entire gas imports. Three of them use natural gas for more than a quarter of their total energy needs
- In 2013 energy supplies from Russia accounted for 39% of EU natural gas imports or 27% of EU gas consumption
- Russia exported 71 % of its gas to Europe with the largest volumes to Germany and Italy



Council Conclusions 26/27 June 2014

- Importance of swiftly developing the key elements of the framework
- by July: a review of the Energy Efficiency Directive and how energy efficiency can contribute to the 2030 climate and energy framework.
- It reaffirms the importance of the UN Climate Summit in September 2014 and confirms that the EU target for 2030 will be fully in line with the agreed ambitious EU objective for 2050.



Energy Efficiency Communication, 23 July 2014

- The Commission proposes a new energy efficiency target of 30% for 2030.
- Energy efficiency can drive competitiveness and strengthen security of supply.
- Current measures will achieve energy savings of 18-19% by 2020.
- If already agreed legislation is properly implemented, the 20% target can be reached without additional measures.



- The EU's new 30% target for 2030 can make energy cheaper, ensure security of supply, and improve the lives.
- For every additional 1% in energy savings, EU gas imports are expected to fall by 2.6%.
- More energy efficient buildings offer 'ancillary benefits' in addition to reducing their energy bills.
- Ambitious energy efficiency policies create new opportunities for European businesses.
- The new energy efficiency target is estimated to create new jobs by 2030.



Commission President-elect Juncker's priorities on energy:

- **Strengthen the share of renewable energies on our continent. This is not only a matter of responsible climate policy. It is, at the same time, an industrial policy imperative if we still want to have affordable energy at our disposal in the medium term. I strongly believe in the potential of "Green Growth" and I want the EU to become the world number one in renewable energies.**
- **Enhance energy efficiency beyond the 2020 objective, notably when it comes to buildings. A binding 30% objective for**



Mission letter to Commissioner for Climate Action and Energy

- Contribute to establishing a European Energy Union with a forward-looking climate change policy.
- Contributing to the completion of the **internal market for energy**.
- Identify and select **infrastructure projects** on which to focus, assess the need to add to the current legal framework and monitor very closely the implementation of existing legislation.
- Contributing to the **jobs, growth and investment package**. Ensure that the EU can be a catalyst for public and private investment. A particular focus should be in infrastructure such as energy networks, as well as in renewable energy and energy efficiency.
- Increasing Europe's **energy security** by diversifying sources and routes of energy imports and combining our negotiating power.
- Steering the preparation and negotiations of the legislative instruments that will follow political agreement on the **2030 energy and climate framework**.
- Continuing to develop **EU policy for renewables**. The EU should be a world leader in this sector.
- Guide work on **energy efficiency**.
- Strengthening and promoting the **Emissions Trading System** to ensure we reach our climate goals in a cost-effective way.



Commission President-elect Juncker's 300 bln € (3 years) investment plan:

- First thing to do (early 2015)
- To Council in December?
- Renewable energy one of the key actions
- DG Energy considers 4 areas (tbc):
offshore wind (North Sea), solar
(Mediterranean), fuel switch in CEE,
advanced biofuels.



European Council Agenda (23/24 October 2014)

“The European Council will take a final decision on the new climate and energy policy framework, including on further measures aimed at enhancing Europe's energy security and on specific 2030 interconnection objectives.”

(Reference to transport, tbc)



Thank you for your attention!

More information:

<http://ec.europa.eu/energy/renewables/>

