



ENERGY FOR A CHANGING WORLD

EU Energy and Climate Policies adopted by the European Commission

F. Barbaso, Deputy Director General, DG TREN

Madrid Forum, 20 February 2007



About this presentation



Overview of the Energy Package presented on 10 January, +
update on Energy Council 15 February

The action plan

- Low carbon – renewables
- Low carbon – nuclear
- Low carbon – research and technology
- Energy efficiency
- External relations and solidarity
- Internal market in the energy package

The role of the Madrid Forum

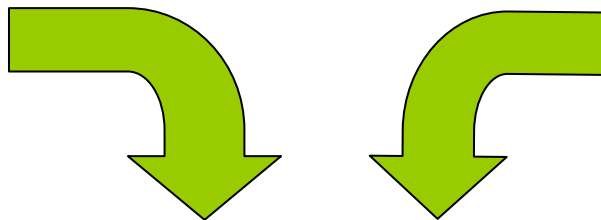


Energy Package: Integrating energy & environment



**Energy Policy for Europe
(Strategic Energy Review)**

**Limiting Global Climate
Change to 2°C**

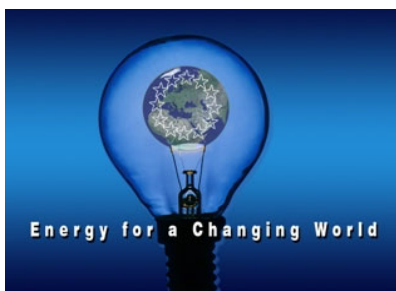


STRATEGIC OBJECTIVE

***A unilateral EU independent commitment of
at least 20% GHG emission reduction by 2020, compared to
1990 levels***



Action plan



- Low carbon and renewable energy
- Energy efficiency
- Internal market
- External relations



Low Carbon: Renewable energy sources



Commission proposes a binding overall 20% target by 2020 and a 10% minimum binding target for biofuels

Council:

- a target of a 20 % share of renewable energies in overall EU energy consumption by 2020
- a 10 % binding minimum target to be achieved by all Member States for the share of bio fuels in overall EU transport petrol and diesel consumption by 2020, to be introduced in a cost-efficient way.
- Framework to include:
 - Member States' overall national targets;
 - National Action Plans containing sectoral targets and measures to meet them; and
 - criteria and provisions to ensure sustainable production and use of bioenergy and to avoid conflicts between different uses of biomass.
- thorough and rapid implementation of the measures highlighted in the June 2006 Council conclusions on the Commission Biomass Action Plan, notably as regards demonstration projects for second-generation biofuels.



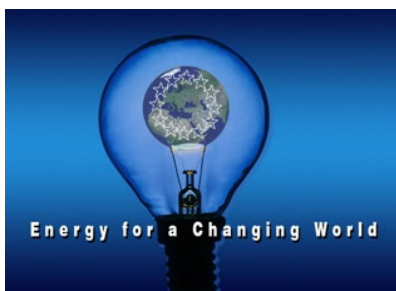
Low carbon: Strategic Energy Technology Plan



- Ready by the end 2007
 - Scheduled for the Spring European Council 2008
 - 7th Framework Programme (FP) energy funds doubled
 - Sustainable coal and gas: to make plants CCS ready by 2020
 - Second generation biofuels, photovoltaic, large-scale offshore-wind, hydrogen fuel cells
 - Generation IV fission power, nuclear fusion
 - Energy efficient transports, appliances and industrial systems
- Proposals broadly supported in Council



Low carbon: The future of nuclear



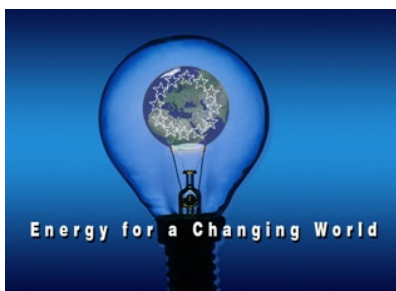
- Around 1/3 of the electricity and 15% of the EU energy mix is from nuclear
- CO₂-free source with importance in low emission scenarios
- Concerns on nuclear waste and decommissioning
- PINC subject to opinion of the ECOSOC

Council:

- notes the Commission's assessment of the contribution of nuclear energy;
- confirms that it is for each and every Member State to decide whether or not to rely on nuclear energy and stresses that this has to be done while further improving nuclear safety and the management of radioactive waste, and to that effect it:
- supports R & D on waste management, particularly under the 7th Framework Research Programme;
- can envisage the creation of a high-level group on nuclear safety and waste management.



Energy efficiency



Energy Efficiency Action Plan - adopted on 19 October 2006

Council:

- urges Member States to achieve the EU's energy consumption saving potential of 20% compared to projections for 2020
- calls for a thorough and rapid implementation of the ambitious five main priorities as highlighted in the Council conclusions of 23 November 2006 on the Commission's Action Plan on Energy Efficiency, relating to energy-efficient transport, dynamic minimum efficiency requirements for energy using equipment, energy efficient and energy saving behaviour of energy consumers, energy technology and innovations and the energy savings from buildings;
- welcomes the Commission's intention to put forward in 2007 a proposal for a new international agreement on energy efficiency in order to develop common global efforts towards promoting energy efficiency, bearing in mind that such an agreement should be complementary to EU energy efficiency policy;
- supports the use of international negotiations to encourage sustainable methods of production and to promote international trade in environmental and energy-efficient goods and services;



Internal energy market



Improve non-discriminatory access to networks through:

- Better unbundling of transmission network (ownership or ISO)
- Reinforced position and coordination of regulators (EREG+)
- Increased coordination of TSOs (including investment), through GTE+ Council:
- effective separation of supply and production activities from network operations (unbundling), based on independently run and adequately regulated network operation systems which guarantee equal and open access to transport infrastructures and independence of decisions on investment in infrastructure;
- further harmonisation of the powers and strengthening of the independence of national energy regulators;
- the establishment of an independent mechanism for national regulators to cooperate and take decisions on important cross-border issues;
- the creation of a new Community mechanism for Transmission System Operators to improve coordination of network operation and grid security building on existing cooperation practices;



Internal energy market

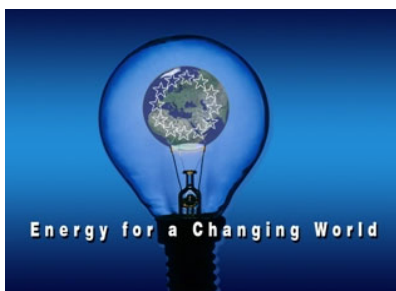


Priority Interconnection Plan Policy Actions

- Continuous identification of missing infrastructure
- European coordinators for 4 priority projects:
 - Power-Link Germany, Poland Lithuania,
 - Connections to off-shore wind power Northern Europe,
 - Electricity interconnections France-Spain,
 - Nabucco pipeline
- TEN-E projects of “European interest” - planning and approval procedures for maximum 5 years
 - Increased funding for TEN-E



External relations



- Negotiations & agreements on climate, trade and technology:
- Energy relations with EU neighbours
- Cooperation with key energy producers, transit countries and consumers:
- Network of energy correspondents



External relations



Council emphasised following elements:

- post-partnership and cooperation agreement with Russia;
- intensifying the EU relationship with Central Asia, the Caspian and the Black Sea regions, with a view to further diversifying sources and routes;
- strengthening partnership and cooperation building on the bilateral energy dialogues with the USA as well as with China, India and other emerging economies,
- ensuring the implementation of the Energy Community Treaty, with a view to its further development and possible extension to Norway, Turkey, Ukraine and Moldova;
- enhancing energy relationships with Algeria, Egypt and other producing countries in the Mashrek/Maghreb region building a special dialogue with African countries on energy
- promoting access to energy in the context of the UN-CSD



Role of the Madrid Forum



Objective: completing the internal gas market

- Madrid Forum complements the pure legislative process
- qualitative market opening is as important as quantitative market opening.
- Commission proposals will take time; this should not divert attention away from continuing our efforts in the Forum



ENERGY FOR A CHANGING WORLD



THANK YOU FOR YOUR ATTENTION

**All documents on the climate and energy package
are available on:**

http://ec.europa.eu/energy/energy_policy/index_en.htm