

## Energy in Europe

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### Editorial

The March European Council asked the European Commission to prepare by June 2014 a comprehensive plan for the reduction of the EU's energy dependency.

Just two months later, on 28 May the Commission presented a European Energy Security Strategy accompanied by an In-depth study of the European Energy Security. The pillars on which this strategy is based include moderating energy demand, building a well-functioning and fully integrated internal market, increasing energy production in the European Union, further developing energy technologies, diversifying external supplies and improving the coordination of national energy policies also on the external side.

The European Energy Security Strategy is based on concrete measures for the short and medium to long term. It is also fully in line with the 2030 Policy Framework on Climate and Energy. Indeed, the transition to a competitive, low-carbon economy will amongst others reduce the use of imported fossil fuels by moderating energy demand and exploiting renewable and other indigenous sources of energy.

Both the European Energy Security Strategy and the 2030 Policy Framework on Climate and Energy have now been submitted to the European Council. Conclusions from the Heads of State or Government on the first are expected at the European Council Meeting of 26/27 June, on the second at the Meeting of 23/24 October, at the latest.

In the meantime, we are focusing on further practical contributions to Europe's energy security, including by brokering negotiations between the Ukraine and Russia on gas pricing, transit and supply, and by assessing the Member States' progress in becoming more energy efficient. To name only a few of our immediate tasks.



**Dominique Ristori**  
Director-General for  
Energy

Dominique Ristori

### **HIGH LEVEL CONFERENCE "PAVING THE WAY FOR EUROPEAN ENERGY SECURITY", 21 MAY, BRUSSELS**

21/05/2014 - Completing the internal energy market, saving energy, increasing domestic energy production as well as diversifying sources, routes and counterparties of energy imports: these are ways to reduce the EU's energy dependence. On 21 May, energy leaders discussed the crucial issue in Brussels at the high-level conference "Paving the way for a European Energy Security Strategy", organised by the European Commission. European Commission President José Manuel Barroso outlined the "European Energy Security Strategy", which the European Commission presented on 28 May. EU Energy Commissioner Günther H. Oettinger informed on the state of Europe's security of supply and Polish Prime Minister Donald Tusk presented his proposal for an Energy Union for Europe.

Read the full press release:

[http://europa.eu/rapid/press-release\\_IP-14-585\\_en.htm](http://europa.eu/rapid/press-release_IP-14-585_en.htm)

Read the full speech of President Barroso "The European Energy Security Strategy": [http://europa.eu/rapid/press-release\\_SPEECH-14-400\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-14-400_en.htm)

Watch: <http://ec.europa.eu/avservices/video/player.cfm?ref=1089522>

### **26TH MEETING OF THE EUROPEAN ELECTRICITY REGULATORY FORUM, 20-21 MAY, FLORENCE**

The Electricity Regulatory Forum (Florence Forum) was set up to discuss the creation of the internal electricity market. It is currently focusing on the cross-border trade of electricity, in particular the tariffication of cross-border electricity exchanges and the management of scarce interconnection capacity. Participants include national regulatory authorities, Member State governments, the European Commission, TSOs, electricity traders, consumers, network users, and power exchanges. Since 1998 the Forum has met once or twice a year.

Read the conclusions of the 26th meeting:

[http://ec.europa.eu/energy/gas\\_electricity/doc/forum\\_florence\\_electricity/meeting\\_026\\_conclusions.pdf](http://ec.europa.eu/energy/gas_electricity/doc/forum_florence_electricity/meeting_026_conclusions.pdf)



## ENERGY SECURITY: COMMISSION PUTS FORWARD COMPREHENSIVE STRATEGY TO STRENGTHEN SECURITY OF SUPPLY, BRUSSELS, 28 MAY 2014

Read the full press release: [http://europa.eu/rapid/press-release\\_IP-14-606\\_en.htm](http://europa.eu/rapid/press-release_IP-14-606_en.htm)



### Featured posts from our Social Media / Audiovisual Corner



Günther Oettinger @GOettingerEU

**21 May 2014, Brussels**

"When competition in the market works, #energy cannot be used as a political tool. #ESSC #EU"



### Background story

#### COMMISSION RELEASES €750 MILLION FOR INFRASTRUCTURE PROJECTS



12/05/2014 - The first call for proposals under the Connecting Europe Facility (CEF) to help finance key trans-European energy infrastructure projects is open since 12 May. A total of €750 million will be made available for first priority projects mainly in the gas and electricity sectors. These projects will address security of supply issues and help bring an end to the energy isolation of some Member States. They will also contribute to the completion of the EU-wide internal energy market and to the integration of renewables to the energy grid. The EU funding will accelerate investment in missing cross-border links by leveraging the necessary private and public funding.

Read the full press release:

[http://europa.eu/rapid/press-release\\_IP-14-547\\_en.htm](http://europa.eu/rapid/press-release_IP-14-547_en.htm)

Read more about the call:

[http://inea.ec.europa.eu/en/cef/cef\\_energy/apply\\_for\\_funding/cef\\_energy\\_call\\_for\\_proposals\\_2014.htm](http://inea.ec.europa.eu/en/cef/cef_energy/apply_for_funding/cef_energy_call_for_proposals_2014.htm)

## Question from a Member of the European Parliament

### **Question By MEP Cristiana Muscardini (ECR)**

**Subject: Shale gas**

**A report contained in an Italian weekly newspaper predicts the depletion of prime shale gas deposits in the USA by 2020, accompanied by a further increase in extraction costs. It is now an acknowledged fact that the price of shale gas is lower than would normally be expected, given that fracking operations are more costly than traditional extraction techniques and that wells remain operational for only a few months. The reason for this that the gas deposits, once released, can no longer be naturally stored and must therefore be sold off immediately on the best terms available. According to a chemical expert at the University of Florence, fracking in the USA is therefore being carried out at a loss, the 7000 new wells needed to maintain production in 2012 having cost \$42 billion, compared with proceeds of only \$32 billion from the gas produced. At the same time, the cost of American shale gas is less than half that of methane produced in Europe and is competitive even with coal, which emits twice as much CO<sub>2</sub>. As a result, dozens of coal-fired power stations in the USA have been closed down since 2008, further promoting shale gas extraction and helping to cut emissions.**

**Moreover, according to a study by the University of Texas, 38 out of the 100 American nuclear power plants are likely to be closed down over the coming years, since shale gas production has made it uneconomical to carry out the improvements necessary to keep them on line for another 20 years. However, the author of the study also predicts a likely 60% fall-off in CO<sub>2</sub>-free electricity production by 2030. While many problems, such as the need for security of energy supply, a reduction in greenhouse gas emissions, lower production costs, etc. appeared to be resolved with the discovery of shale gas, warnings by specialists in the field do not augur well for the future. In view of this:**

- 1. What view does the Commission take of these predictions?**
- 2. Does it consider it worthwhile to exploit putative shale gas deposits in EU territory and, if so, what guarantees can be given regarding the safety of such operations?**
- 3. If not, what solutions would it recommend with a view to meeting energy needs while**

## **cutting CO2 emissions?**

**4. How is it possible to guarantee energy supplies in Europe, given the dilemmas currently facing us and the bleak prospects resulting?**

**5. Is the Commission aware of any projects being developed with a view to ensuring energy supplies, while at the same time cutting emissions?**

1. The impact of shale gas on the energy mix inter alia depends on the economically recoverable resources available. These are also a factor of the price of alternative sources of natural gas and of the costs of production. Since these factors change, estimates of economically recoverable resources of shale gas are being continuously revised<sup>1</sup>.

2. Depending on the available economically recoverable resources, domestic sources of natural gas, including shale gas, could contribute to the European Union's security of supply and competitiveness and could, under certain conditions, bring climate benefits<sup>2</sup>. As a complement to the existing EU environmental acquis, the Commission adopted a Recommendation<sup>3</sup> aimed at supporting Member States in managing and mitigating potential environmental impacts and risks from high-volume hydraulic fracturing if a Member State decides to enable shale gas operations.

3. In any case, the long term objective of decarbonising the EU energy system will require continued improvements in energy efficiency, energy savings and an increased uptake of low carbon technologies, in particular of renewable energies.

4. The Commission works towards a global, open, well-functioning market and the diversification of the EU's energy supplies, including further exploitation of sustainable and indigenous energy sources, so as to avoid dependence on one single supplier or group of suppliers.

5. The Commission is aware of several shale gas exploration projects which are ongoing in the EU, in particular in Poland.

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<sup>1</sup> See also the report on Energy Economic Developments in Europe report, SWD(2014)19, attached to the 2030 Framework for Climate and Energy, adopted on 22 January 2014.

<sup>2</sup> See Commission Communication on the exploration and production of hydrocarbons (such as shale gas) using high volume hydraulic fracturing in the EU. COM(2014)23 final, 22 January 2014 : [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0023R\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0023R(01))

<sup>3</sup> Commission Recommendation on minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing (2014/70/EU), 22 January 2014 : <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014H0070>

## Figure of the month

Household electricity prices in the EU28 rose by **2.8%** and gas prices by **1.0%**

Read the full Eurostat news release: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/8-21052014-AP/EN/8-21052014-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/8-21052014-AP/EN/8-21052014-AP-EN.PDF)

## Coming up next

### Scheduled for Commission adoption

#### Third quarter 2014

- Report on state of implementation of the internal energy market
- Communication on an Energy Efficiency Strategy (Review of the Energy Efficiency Directive)
- Communication on nuclear off-site emergency preparedness and response and nuclear third party liability and insurance

### Calls for Tenders

[http://ec.europa.eu/dgs/energy/tenders/index\\_en.htm](http://ec.europa.eu/dgs/energy/tenders/index_en.htm)

#### Until 3 June 2014

Multiple framework contract for impact assessments and evaluations (2015-2019) ('ex ante', intermediate and 'ex post') in the field of energy

#### Until 16 June 2014

Smart cities and communities information system (SCIS)

#### Also ongoing (no deadline)

Horizon 2020: Experts wanted for biggest EU research programme yet

### Events

#### 23 June 2014

EU Sustainable Energy Week 2014  
<http://www.eusew.eu/>

### Call for Grants

#### Until 19 August 2014

CEF Energy Call for Proposals 2014  
[http://inea.ec.europa.eu/en/cef/cef\\_energy/apply\\_for\\_funding/cef\\_energy\\_call\\_for\\_proposals\\_2014.htm](http://inea.ec.europa.eu/en/cef/cef_energy/apply_for_funding/cef_energy_call_for_proposals_2014.htm)

## Colophon

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