



ENERGY IN EUROPE

Editorial

2014 ended on a positive note for the EU's energy future, with the EU Heads of State or Government endorsing the Investment Plan for Europe. This plan will kick-start further investment in the energy sector - an essential part of our growth agenda.

The importance of energy issues is also reflected in its prominence among the political priorities of Commission President Jean-Claude Juncker. In this context, we need to create more interdependence on energy within Europe, and more independence of Europe in terms of energy supply from outside of Europe.

Creating a European Energy Union – by pooling resources, connecting networks and uniting our power when negotiating with non-EU countries, diversifying our energy sources, reducing energy import dependency, and making the EU the world number one in renewable energy – will thus be crucial in 2015. The Latvian Presidency shares this policy objective. Consequently, the preparatory process on the Strategic Framework for the Energy Union will include an important conference in Riga on 6 February.

At the level of the Directorate-General for Energy, the significance of the European Energy Union project to address our current challenges has resulted in a new Unit tasked with focusing on Security of Energy Supply issues, for both gas and electricity, from 1 January 2015 onwards.

Alongside the numerous initiatives we are engaged in, I'd like to highlight the importance of sound economic analysis. With regard to the monitoring of markets, DG ENER's Quarterly Reports on European Gas and Electricity markets provide a valuable insight into the latest developments.

I'd like to wish all readers a Happy 2015.

Dominique Ristori



Dominique Ristori

Director-General for Energy

PRESS ROOM - RECENT HIGHLIGHTS

EUROPEAN COUNCIL, 18-19 DECEMBER 2014, BRUSSELS

Fostering investment in Europe is a key policy challenge.
The new focus on investment, coupled with Member

States' commitment to intensifying structural reforms and to pursuing growth-friendly fiscal consolidation, will provide the foundation for growth and jobs in Europe. To this end, the European Council calls on the Commission to present a comprehensive Energy Union proposal well ahead of the March 2015 European Council.



[Read the Council conclusions](#)

A NEW START: EUROPEAN COMMISSION WORK PLAN TO DELIVER JOBS, GROWTH AND INVESTMENT, 16 DECEMBER, STRASBOURG

On 16 December, the European Commission adopted its Work Programme for 2015 – setting out the actions the Commission intends to take over the next 12 months to make a real difference for jobs, growth and investment and bring concrete benefits for citizens. This is an agenda for change.



[Read more](#)

[Read the press release](#)

[Read the Q&A](#)

LIMA OUTCOME KEEPS CLIMATE TALKS ON TRACK FOR PARIS AGREEMENT, 14 DECEMBER, LIMA

Miguel Arias Cañete, EU Commissioner for Climate Action and Energy said: "The EU came to Lima to lay the ground for negotiations in Paris. Now, we are on the way to Paris. And although the EU wanted a more ambitious outcome from Lima, we believe that we are on track to agree a global deal in Paris next year. The EU has taken a constructive approach throughout the last two weeks and has shown itself willing to build bridges and compromise where possible. The EU particularly builds on its own experience of overcoming differences and finding common ground. Our ambitious 2030 climate and energy package is proof of this."



[Read the full press release](#)

[DG Climate Action - Lima conference page](#)

EC SUPPORTS EBRD IN SIGNING THE AGREEMENT WITH UKRAINE, 15 DECEMBER, BRUSSELS

The European Bank for Reconstruction and Development (EBRD) took another major step forward in its plan to support the Ukrainian economy. The EBRD and Ukraine agreed financing to upgrade and repair a key section of Ukraine's gas transmission system, the western part of the Urengoy-Pomary-Uzhgorod pipeline. The loan agreement for up to €150 million was signed by the EBRD's Managing Director for Energy and Natural Resources Riccardo Puliti and the Minister of Foreign Affairs, Pavlo Klimkin.



[Read the full EBRD Press Release](#)

GUEST CORNER

GEORGE FERGUSON TALKS ABOUT THE ROLE LOCAL AUTHORITIES HAVE TO PLAY IN ENERGY SECURITY

Bristol is about to become European Green Capital 2015 and strengthening the city's energy security forms a key part of our plans for the coming year. As issues with energy pricing and supply become increasingly pressing, local authorities have a key role to play in helping cities become more resilient.

In 2012, Bristol City Council was awarded a 2.9 million Euro grant under the European Investment Bank's European Local Energy Assistance (ELENA) programme, which has been critical to our success. In line with our strong Climate Change and Energy Security Framework, which is driving our work, we've used this money to develop a series of strategic and sustainable local energy initiatives to improve life in Bristol.



First and foremost we're focusing on making buildings and homes more energy efficient with schemes such as Warm Up Bristol, one of the most ambitious initiatives in the UK. We are developing district heating networks which will eventually join up into one large network to provide cheap and efficient heat to the city; and we are empowering communities to invest in, and benefit from, renewable energy by installing solar PV panels onto community buildings. But we've got even bigger ambitions as we are planning to launch a municipal energy company next year. We are striving to create a socially and environmentally conscious company to help our city thrive.

A key challenge for us, and other local authorities, is to effectively engage our stakeholders and local communities. A secure energy future isn't something that we can build on our own – we need to work with grassroots groups through to national government and the EU to ensure we design and implement the best projects in a timely and useful manner.

As the world turns its attention to a global climate agreement in Paris it is critical that we strengthen the role of cities in delivering the energy transition.

EVENT IN THE SPOTLIGHT

CONFERENCE: STRENGTHENING THE SET-PLAN TO MEET THE ENERGY TRANSITIONS RESEARCH AND INNOVATION CHALLENGES AND NEEDS, 10-11 DECEMBER, ROME

Over 650 energy stakeholders from all across Europe and beyond were gathered for the 7th Strategic Energy Technology Plan (SET-Plan) Conference. The conference, organised by ENEA and the European Commission, offered a unique opportunity for all stakeholders and representatives of national and EU institutions to have in-depth discussions on the new developments of the SET Plan towards an Integrated Roadmap and Action Plan addressing research & innovation challenges and needs of the EU energy system.



The document 'Towards an integrated Road Map' which will ultimately lead to the Action Plan was presented at the event, and is the result of in depth consultation and inputs from more than 150 stakeholders and the SET-Plan steering committee from the Member States. The document has been compiled based on these inputs by the European Commission's Directorates – General for Energy, Research and Innovation and the Joint Research Centre.

The high-level opening speeches from the European Commission, acknowledged that "this event could not fall at more opportune time, where the need to ensure a competitive, secure, affordable and sustainable energy system is without a doubt one of the greatest challenges of the 21st century. Indeed, the construction of a resilient Energy Union with a forward looking climate change policy has been identified as key priority of the current European Commission. European Energy R&I policy has a major role to play".

[Towards an Integrated Roadmap: Research & Innovation Challenges and Needs of the EU Energy System The Information System for the European Strategic Energy Technology Plan \(SET-Plan\)](#)

FEATURED POSTS FROM SOCIAL MEDIA

Maroš Šefčovič @MarosSefcovic



15/12/2014: "I welcome #loan of @EBRD 2 modernisation of #Ukraine #gas transmission network 2 strengthen transmission reliability & #EnergySecurity"



Miguel Arias Cañete @MAC_europa



17/12/2014: "A clear signal of EU unity before Paris: EU MS confirm political agreement to ratify the 2nd period of Kyoto Protocol <http://goo.gl/4JNd6g>"



QUESTION FROM A MEMBER OF THE EUROPEAN

Question by Sophie Montel (NI), Dominique Bilde (NI), Florian Philippot (NI) and Steeve Briois (NI) to the Commission

Subject: Wind farms and public health

In 2010, 1.7 % of all electricity produced in France was generated using wind power. Lauded on the left and the right as the embodiment of clean energy, wind farms are now seen as presenting a serious risk to public health. Meanwhile, ever more monstrous turbines are being installed by European and international companies, in some cases as little as 1.5 km from towns and villages in rural areas. Quite apart from the environmental madness of using thousands of tonnes of concrete to lay the foundations for wind turbines, a number of scientific and medical reports have revealed that wind farms pose a risk to the health of those who live near them, causing problems such as severe migraines, tinnitus, anxiety, depression and sleep disorders.

1. Does the Commission intend to take measures to ensure that all future wind farms are built at a much greater distance from towns and villages, in order to protect residents against the associated health risks?

2. Given the known risks to public health, does the Commission intend to limit the number and size of wind farms built in the European Union?

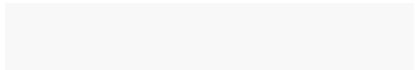
Answer given by Commissioner Arias Cañete:

1. Apart from the Renewable Energy Directive, there is no specific EU legislation addressing the wind farms; therefore no definition exists at European level on what constitutes a safe, appropriate distance. However, as part of the national authorisation process, the planning, location and construction of wind farms may be affected by European environmental legislation, such as the Birds and Habitats Directives, and the Directives on Strategic Environmental Assessment. Furthermore, environmental regulations and/or guidelines have been adopted in several Member States, mainly related to noise levels. As stated in the past, the Commission is of the opinion that it is possible to reconcile the development of onshore and offshore wind farms with environmental policy objectives, including the need to protect biodiversity and habitats, in particular by identifying potential problems at an early stage and appropriate siting decisions. Any potential negative impacts of such projects should be analysed during the Impact Assessment procedure, which will also identify appropriate mitigation measures.

2. The energy mix across Member States is very different and it is for them to decide what proportion of wind energy (for instance) they want to install.



PUBLICATIONS IN THE SPOTLIGHT



Quarterly report on European Gas Markets

Highlights of the report:

- Market integration drives systematic price convergence on major gas hubs in the EU.
- Historically low hub prices over summer 2014 and a slight decrease in industrial retail prices in the EU.
- Major European wholesale price benchmarks at a level twice that of average US wholesale prices, down from a factor of three to four over 2012 and 2013. The fall in crude oil prices will be passing through oil-indexed contracts gradually.
- Low Asian prices incentivise LNG deliveries to the EU and contribute to narrowing the price gap between pipeline and LNG imports.
- The political situation in Ukraine has had no observable impact on import levels from Russia into the EU so far. Gas storage sites full at levels above those of recent years, holding higher overall volumes.
- Broad cooperation and proportionate and effective national security of supply measures are crucial for protecting households and minimising supply cuts during a possible serious disruption in gas supply from the East in the coming winter.

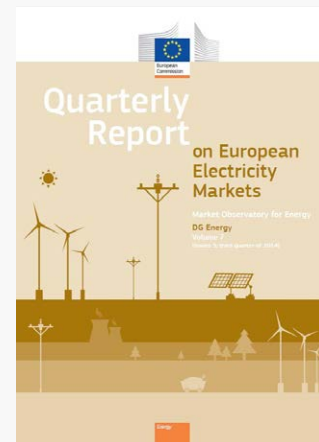
Quarterly report on European Electricity Markets

Highlights of the report:

- After further decreases at the beginning of the third quarter of 2014, electricity prices on European wholesale markets slightly turned up in September.
- Market couplings between European electricity markets assured effective cross border power trading, however, this has not always led to convergence in wholesale electricity prices across the borders.
- At the beginning of the third quarter of 2014 cheap natural gas resulted in increasing gas-fired power generation in the UK, reflecting the flexibility of the country's generation fleet to the price competition between coal and gas.
- During the last few years wholesale electricity prices in the EU remained high compared to the US, resulting in a competitiveness challenge to the EU economy, especially in industries consuming significant amount of electricity during the manufacturing process.
- Retail electricity prices for industrial consumers showed signs of convergence across the EU during the last couple of years; at the same time differences between household retail electricity prices did not decrease.

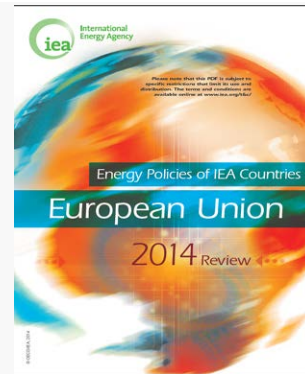
Energy Policies of IEA Countries: European Union 2014 Review

In October 2014, the European Union (EU) set ambitious climate and energy targets for 2030, confirming its global leadership on climate change. But while the targets are in place, the legal framework to implement them is yet to be



developed. *Energy Policies of IEA Countries: European Union – 2014* provides recommendations on how the targets can be reached in a cost-effective and integrated way, while fostering the competitiveness and energy security of the European Union. The recommendations build on the lessons learned since the first IEA in-depth review of the European Union in 2008.

[Read more](#)



COMING UP NEXT

Scheduled for Commission adoption

First quarter of 2015

- Progress report on renewable energy directive
- Communication on the IEM at retail level
- Package: Review of Energy Labelling Directive + Report on Energy Labelling and Ecodesign Directives + Report on Member States progress towards their Energy Efficiency targets towards 2020
- Communication on the Strategic Framework for the Energy Union

Calls For Tenders

Ongoing (no deadline)

Horizon 2020: Experts wanted for biggest EU research programme yet

[more calls for tenders...](#)

Upcoming events

15 January 2015

[EU: Leading Global Technology and Innovation in the Renewable Sector, World Future Energy Summit](#)

6 February 2015

Conference on the EU Energy Union, by the Latvian Presidency of the Council, Riga

12 February 2015

[Smart cities info day](#)

26-27 February 2015

[Heating & Cooling conference](#)

This FREE monthly newsletter is published by European Commission, Directorate-General for Energy, B-1049 Brussels

Legal notice :

The content of this newsletter has been prepared by officials of the Energy DG

and represents their personal views on the subject matters.

These views have not been adopted or in any way approved by the European Commission and should not be relied upon as a statement of the Commission or the Energy DG.

© European Union 2014

Image: © iStockBordei Liana Monica/thinkstock
Reproduction is authorised provided the source is acknowledged