

EU energy policy after 2020



Lívia Vašáková, European Commission,
26 November 2013

Agenda

- Context
- 2030 framework for energy and climate

● Objectives of the EU energy policy

Sustainability

Reduction of
emissions

Reduction of energy
consumption

Development of
alternative energy
sources

Security of energy supply

Diversification of energy
sources, supply
countries and routes

Grid Stability

Adequate energy
infrastructures

Competitiveness

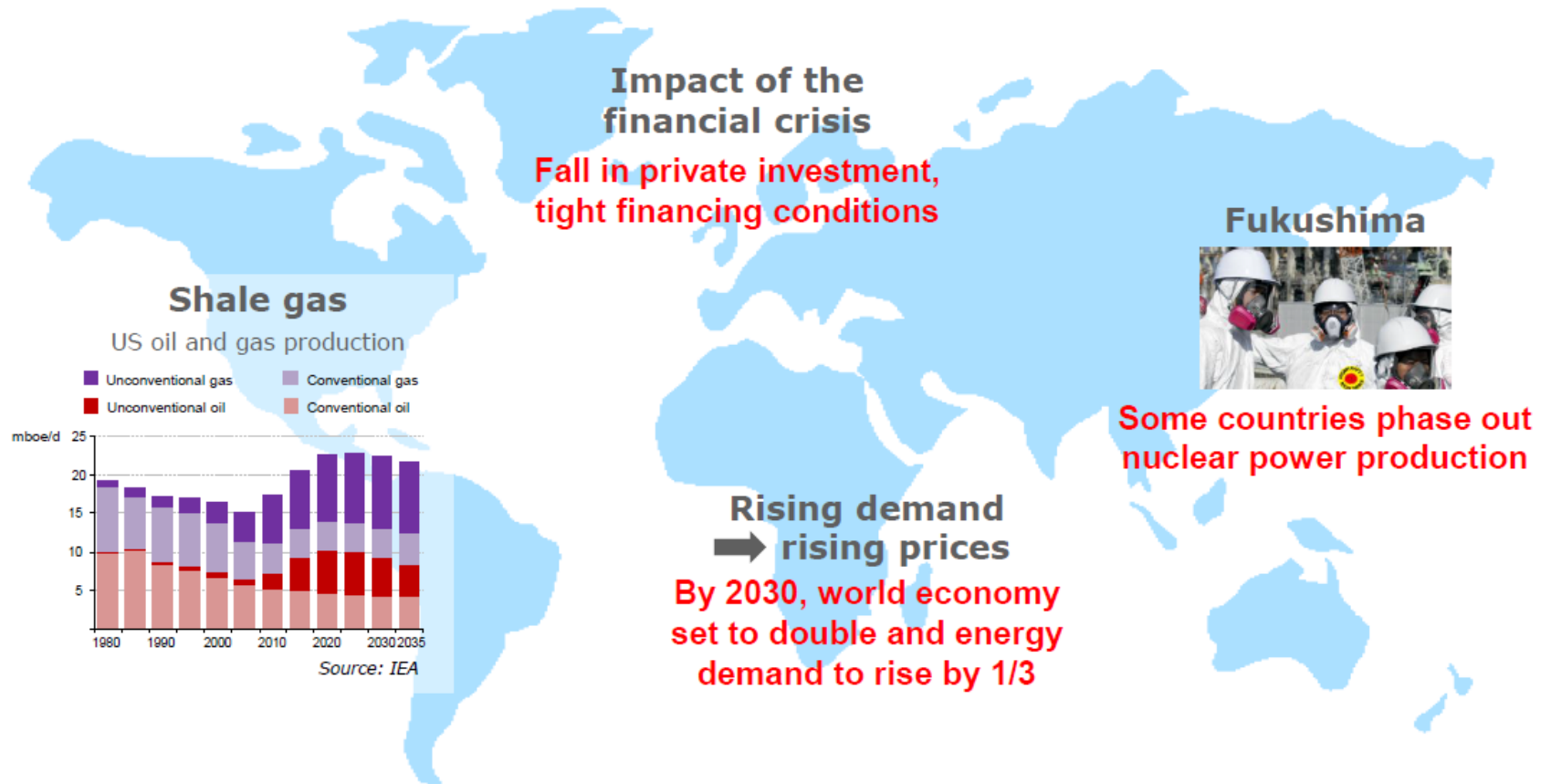
Affordable and
competitive prices

Promotion of new
technologies, growth
and jobs

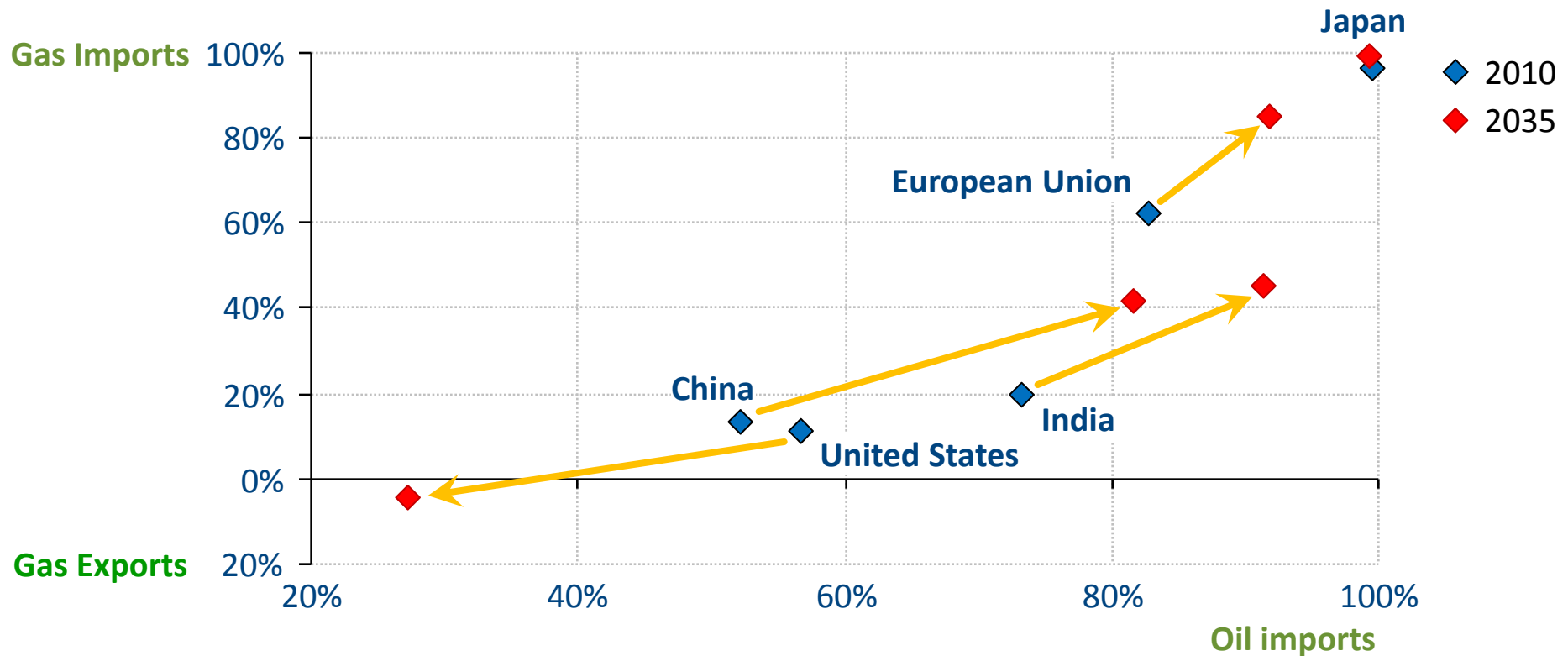
Improved energy
efficiency



New realities in the global energy market



Deteriorating import dependence for fossil fuels



***While dependence on imported oil & gas rises in many countries,
the United States swims against the tide***

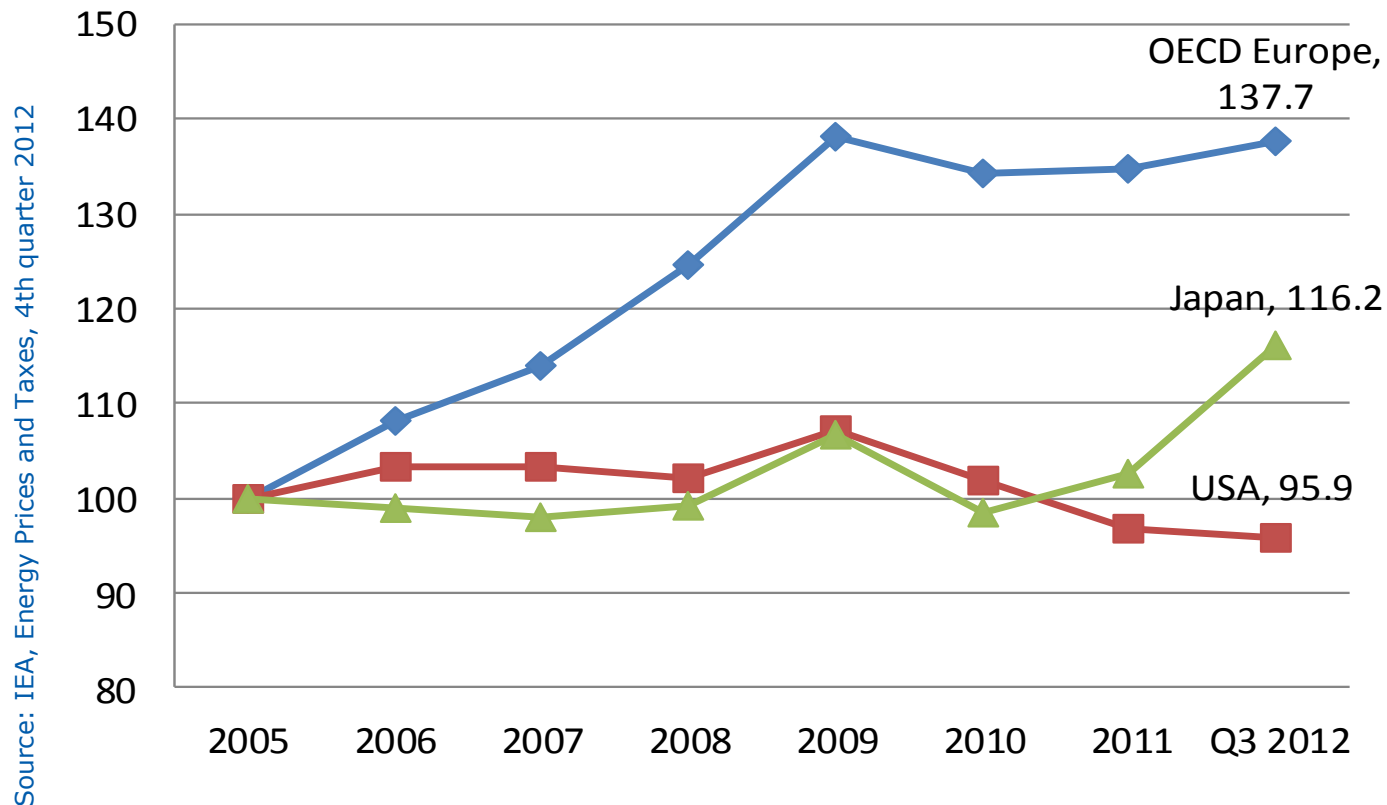
● **US wholesale prices for gas are 3-4 times lower than in the EU**



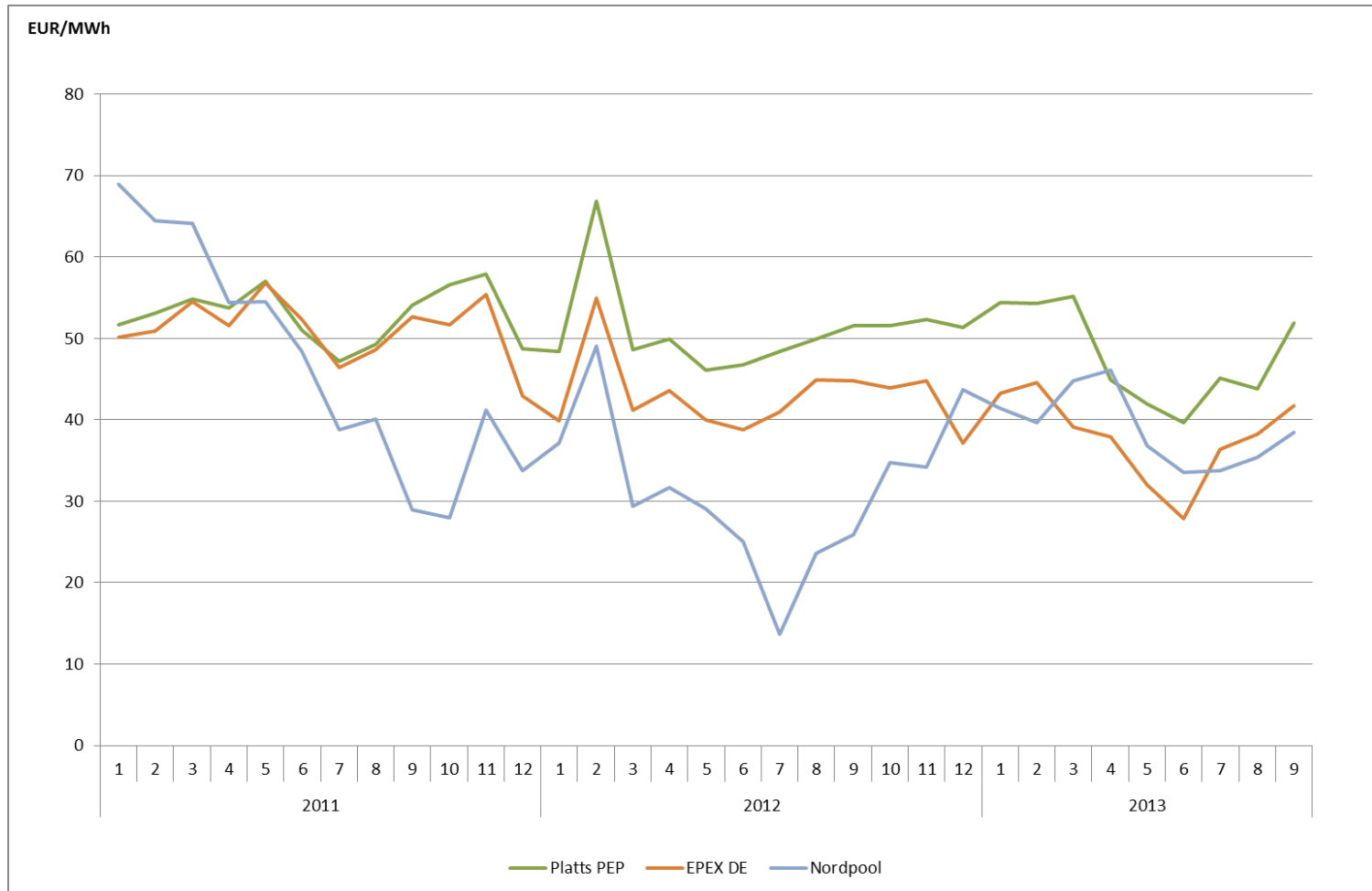
Source: European Commission

● Electricity prices – the US is increasing its advantage...

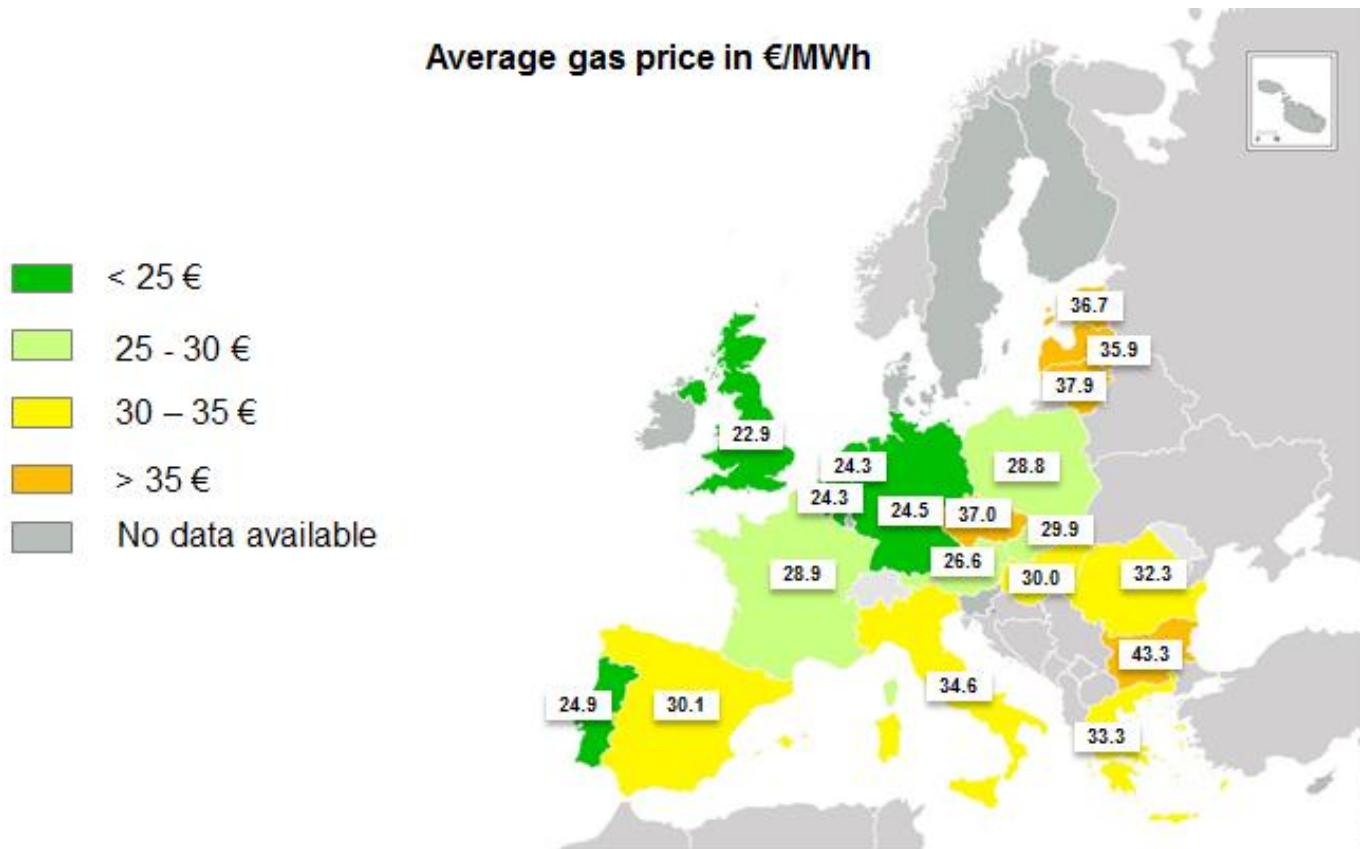
Evolution of end-user electricity prices for industry, taxes excluded (2005 = Index 100)



EU electricity wholesale prices decreasing but consumers paying a higher bill



Wholesale gas prices



Source: European Commission

3rd Quarter 2012

Agenda

- Context

- 2030 framework for energy and climate

- The 2030 framework will build on the 2050 Roadmaps

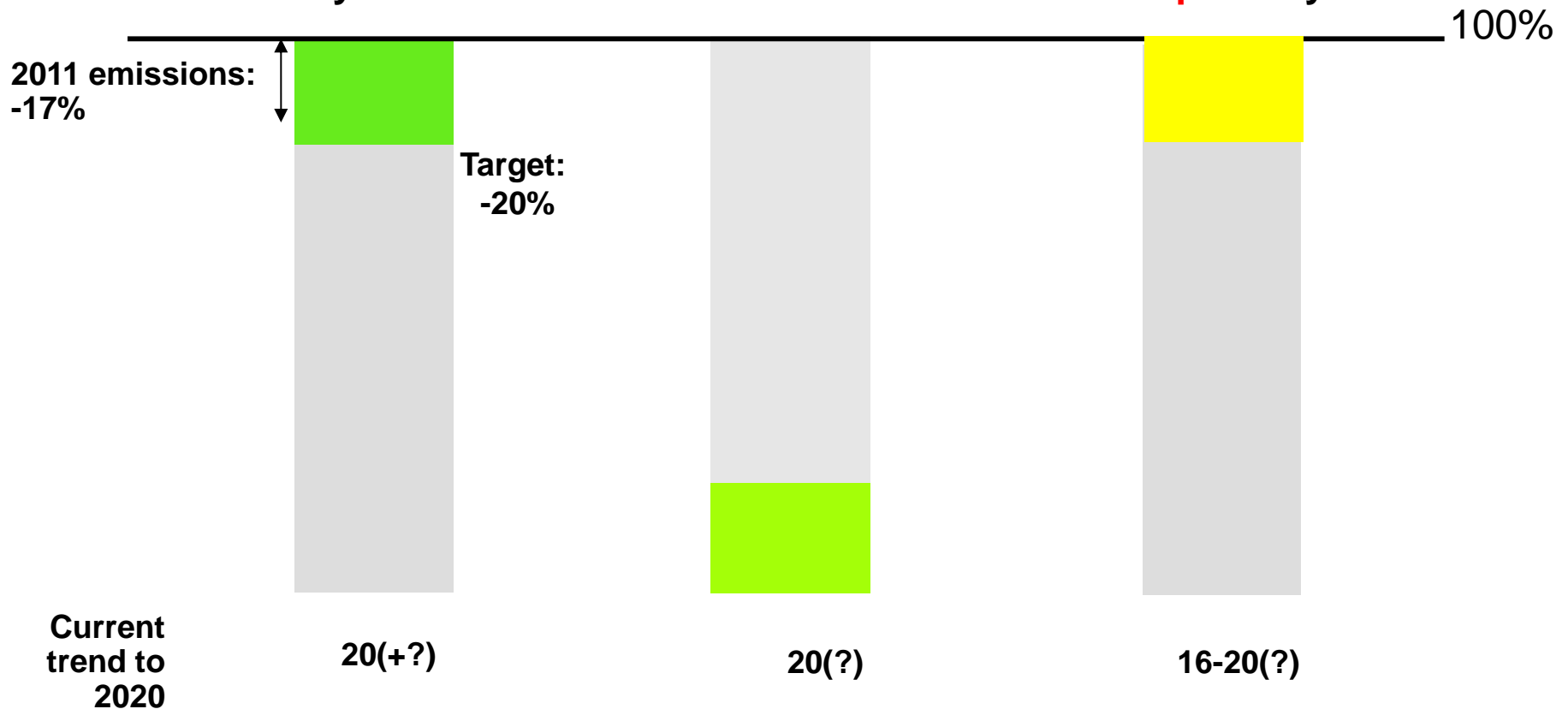


● Progress towards climate/energy 20-20-20 targets

Reduce **GHG emissions**
by 20%

Increase share of
renewables to 20%

Reduce **energy**
consumption by 20%



● Green Paper Consultation

Targets

- Targets for 2030?
- Sector targets? Legally binding?

Instruments

- Policy instruments to meet potential new targets?
- Contribution of Research and Innovation?

Competitiveness & Security of Supply

- Take account of international developments
- Ensure internationally competitive and affordable energy prices

Effort Sharing

- Equitable distribution of efforts among MS
- Different investment capacities of sectors and consumer groups

Policy Conclusions

Climate change

Broad consensus on
GHG Target for 2030

ETS as central policy
instrument

Competitiveness

Greater consideration
of economic crisis and
international energy
and climate
developments

Increased focus on
cost-efficient path

Security of supply

Supply routes
diversification

Better, cross-border
interconnections

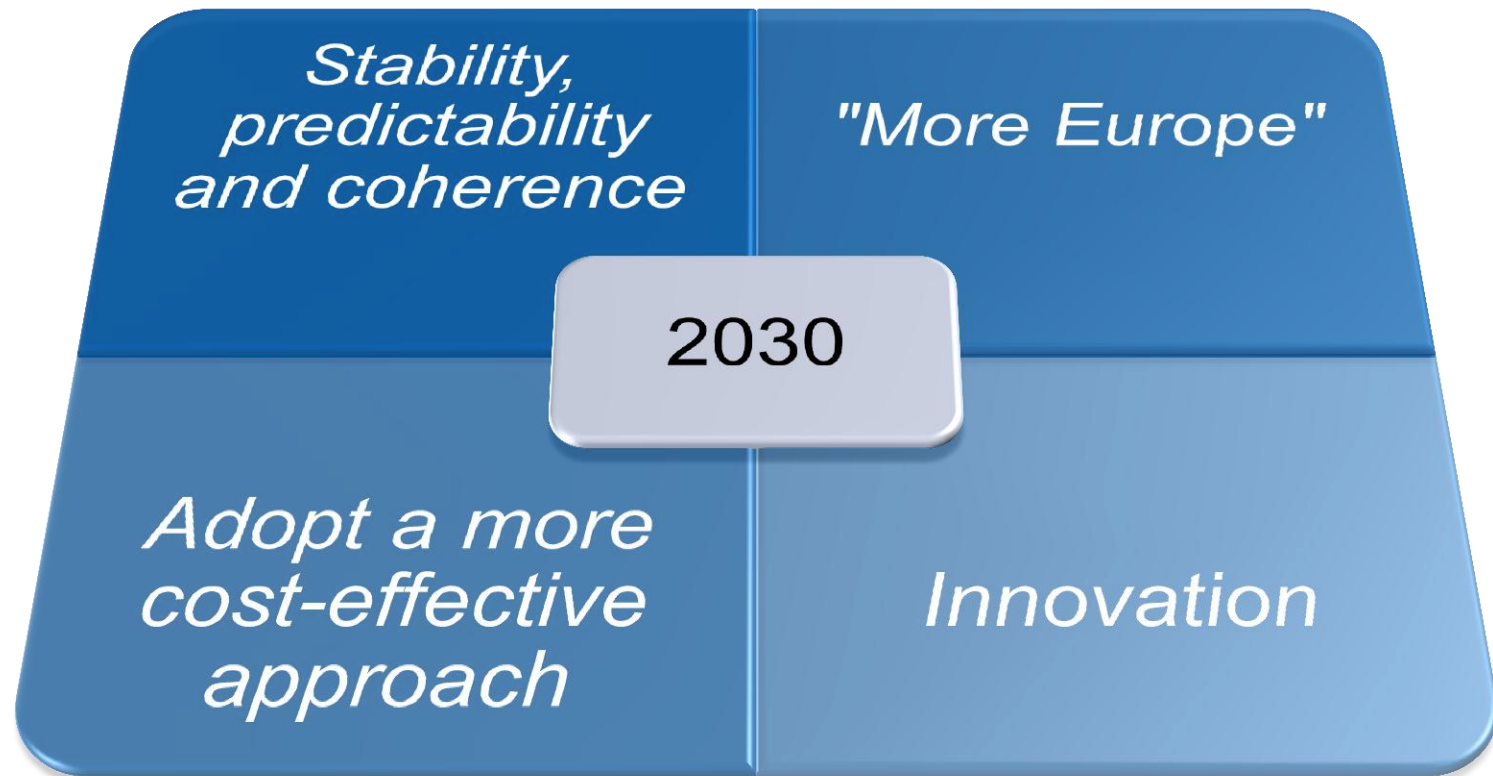
Energy storage
improvements

Increased Policy Coherence

Integrated Infrastructures

Internal Energy Market

General policy conclusions



...but the central discussion is about targets and headline objectives

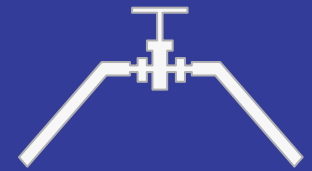
Thank you for your attention



Energy policy for the EU

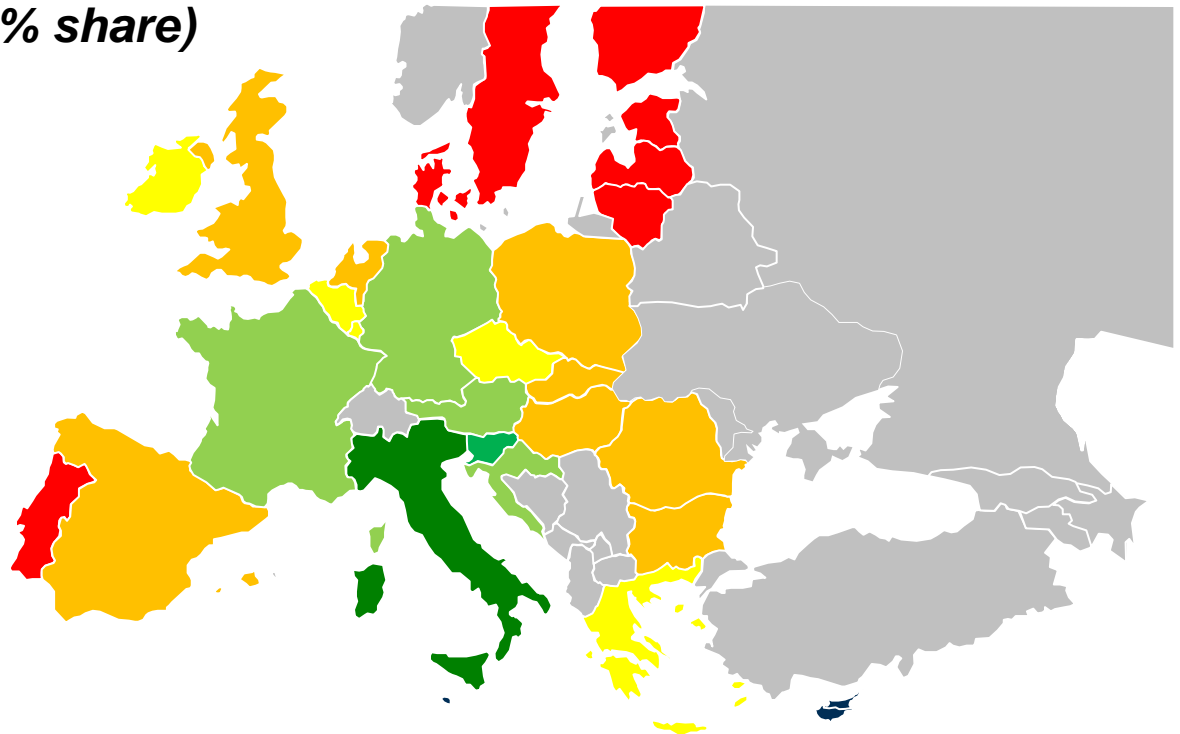
European Council Conclusions of 22 May 2013

- 1: Complete the internal energy market.
- 2: Invest in innovation and infrastructure.
- 3: Commit to greater energy efficiency.
- 4: Exploit renewable sources more cheaply.
- 5: Diversify supplies.



2. Invest in infrastructure: Diversification of gas sources in 2022 with PCIs

Number of supply sources a country may potentially access to through infrastructure (at least 5% share)

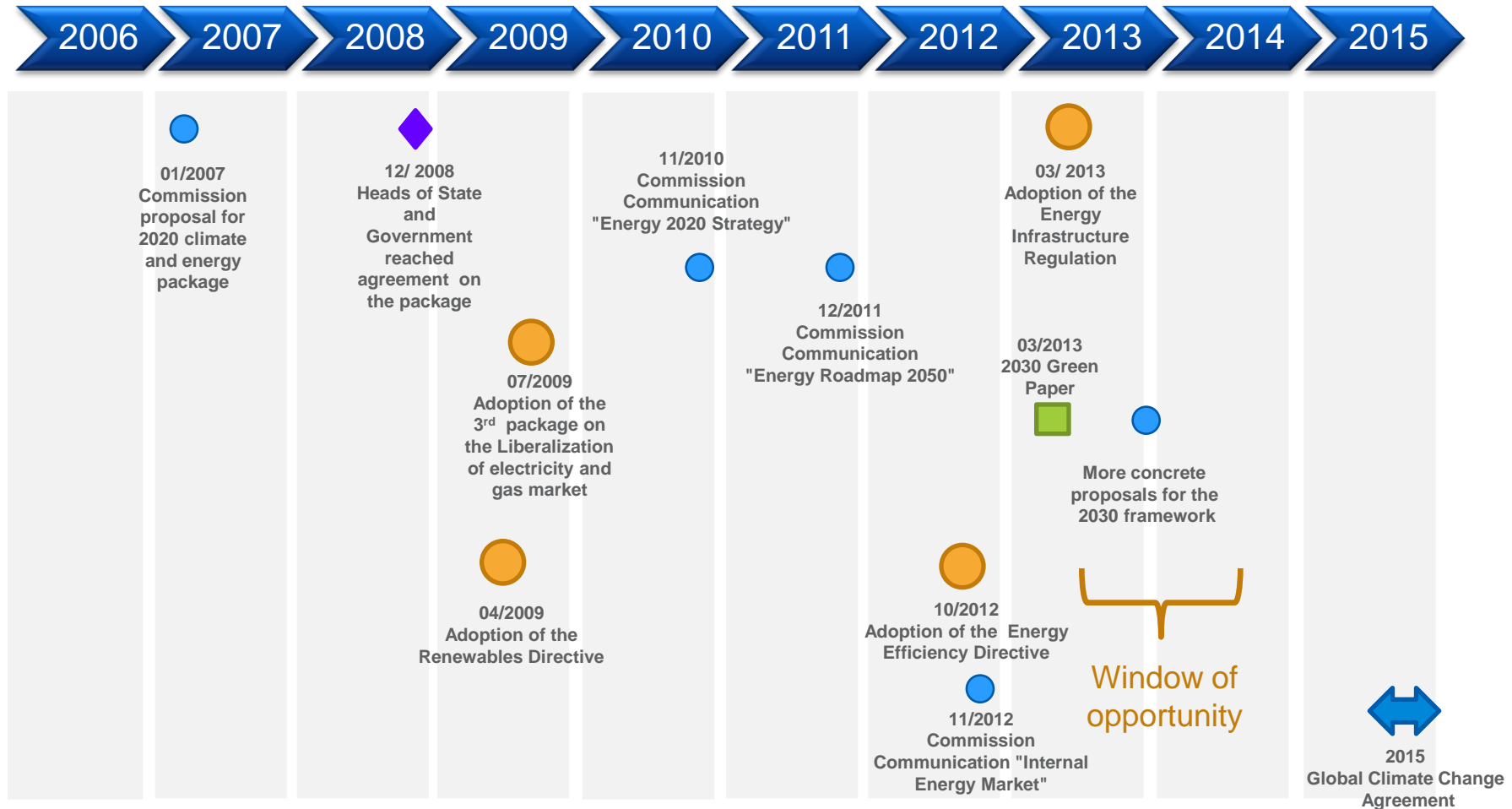


Supply Sources: Azerbaïdjan (new source), Algeria, Lybia, Norway, Russia, National Production, LNG (counts as one source) *do not prejudice any commercial contracts*



European
Commission

● *Building on the past towards the future....!*

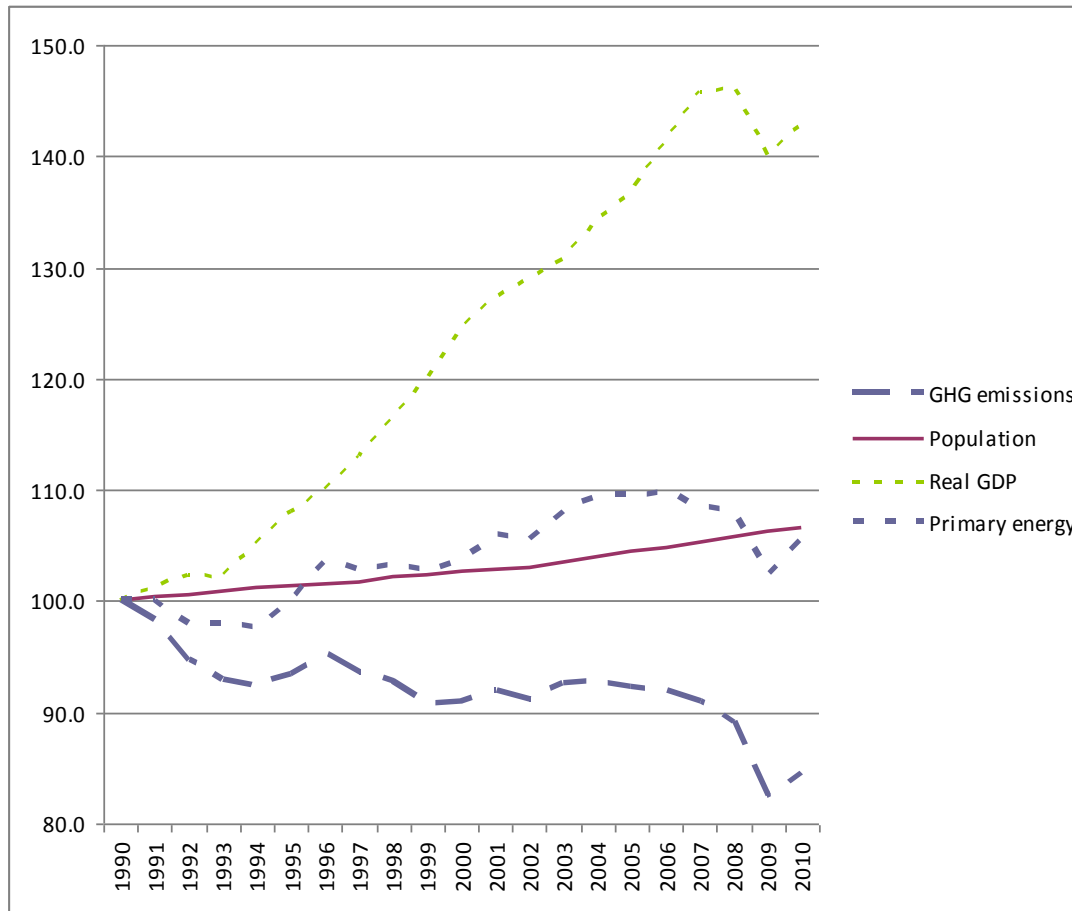


● = EU legislation

● = Commission Communications

◆ = Council Conclusions

● *GHG emissions are decreasing in the EU compared to other countries*



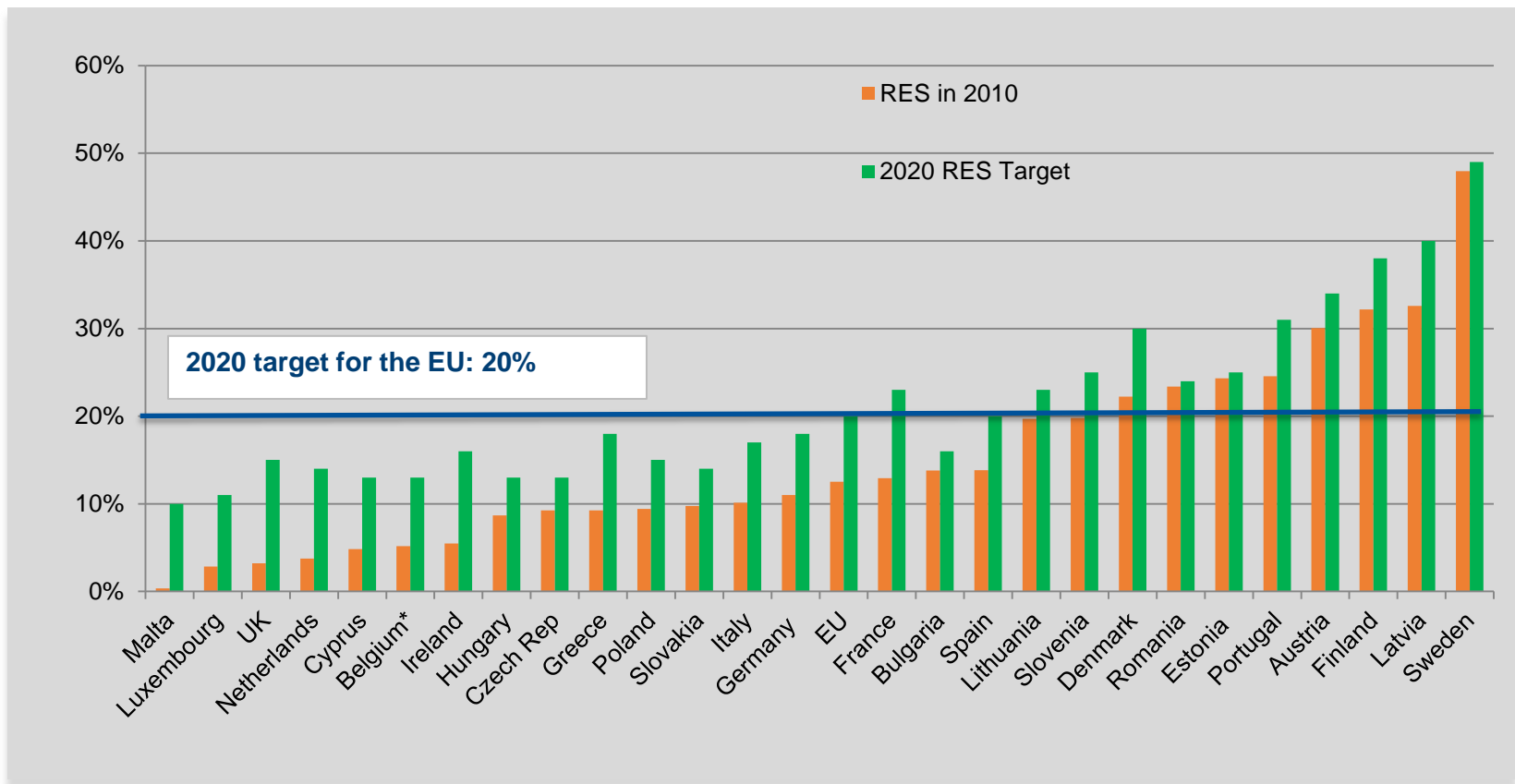
EU emissions reduced by 15.5% 1990 -2010

EU GDP grew >40%

EU as a whole on track towards 20% target

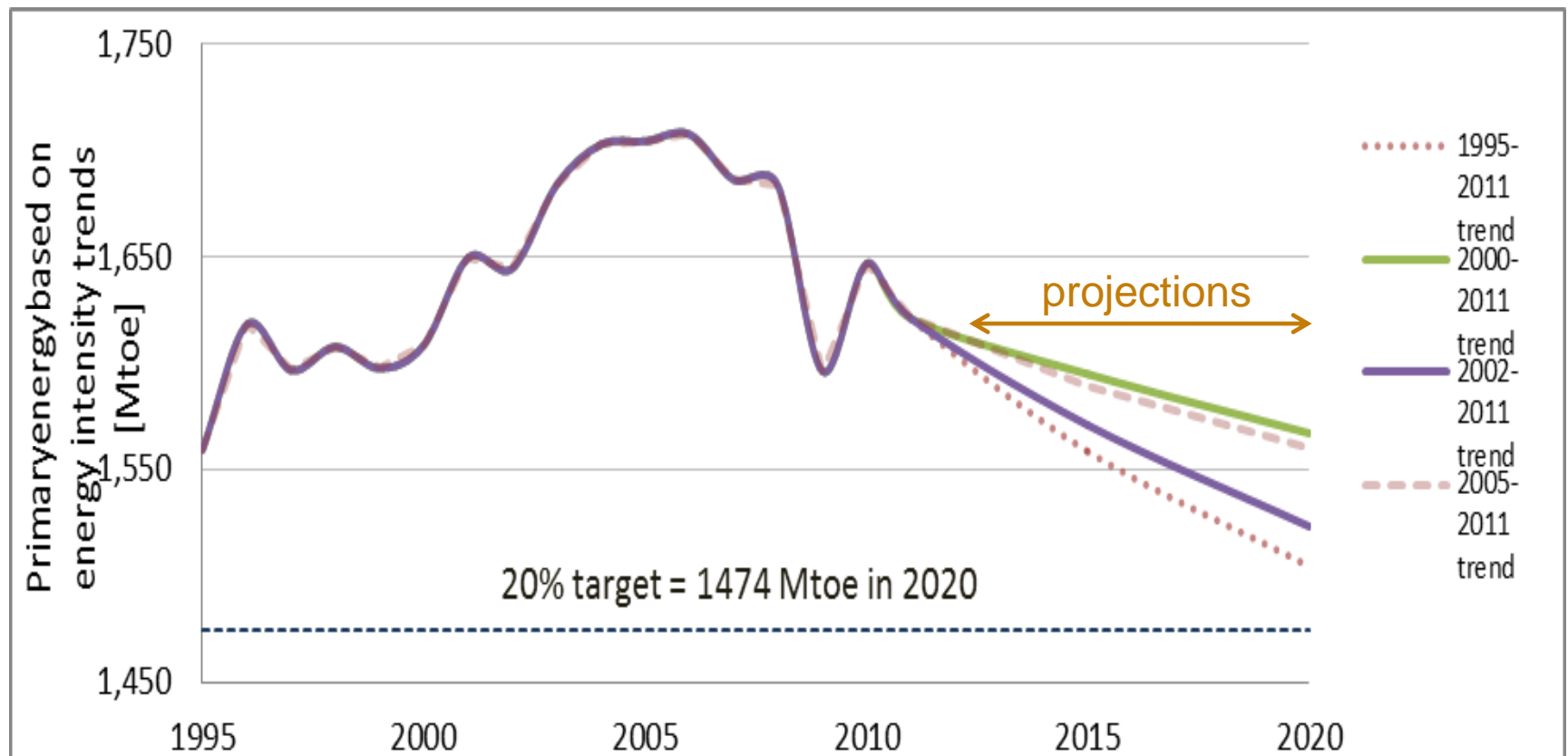
For half of the MS,
existing policies and
measures are sufficient
to reach their Effort
Sharing target
domestically

- *The EU is making good progress towards meeting the 2020 RES target
- But most Member States are still some distance away*

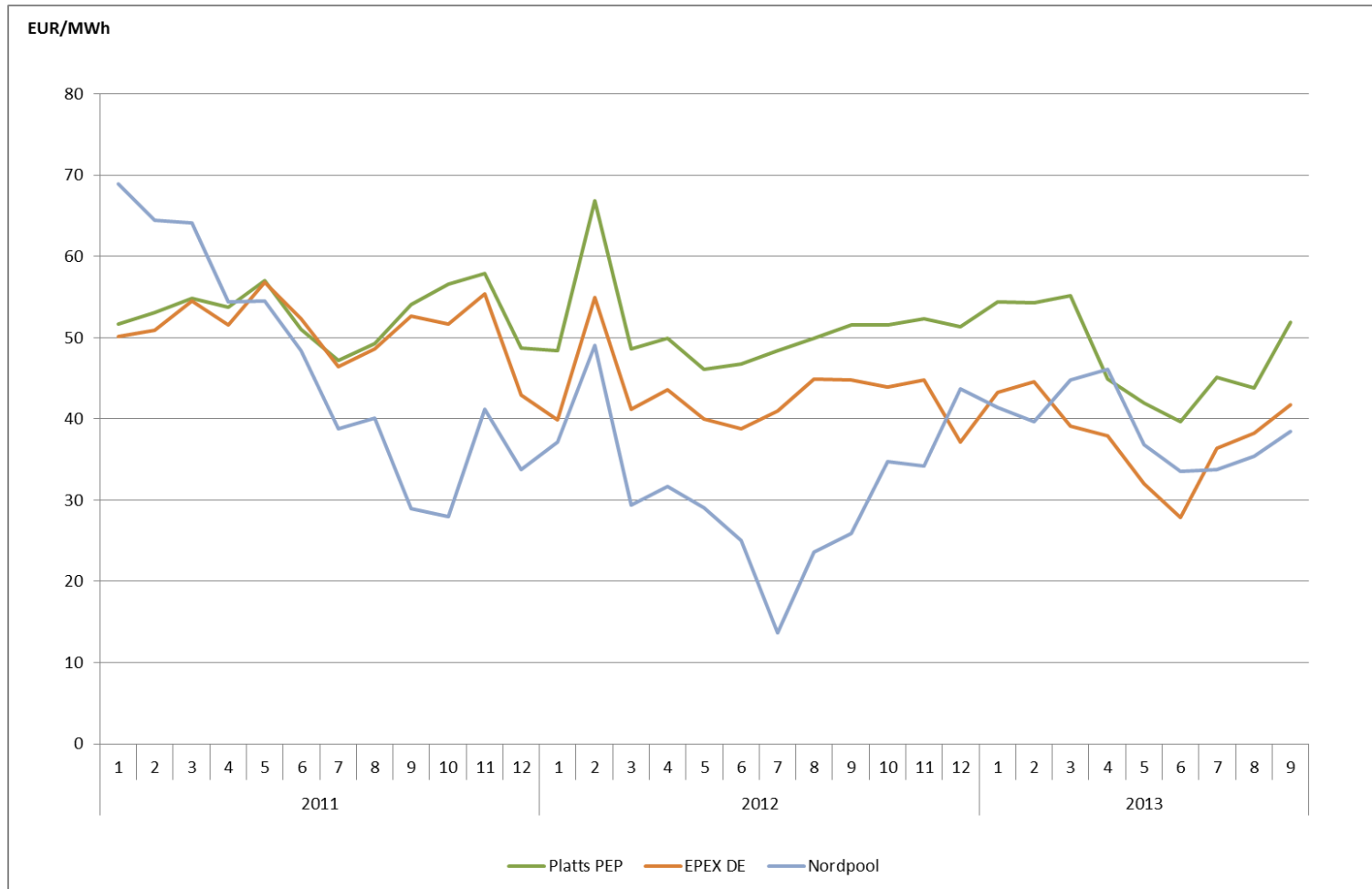


Renewable sources accounted for 12.7% of the EU's energy consumption in 2010

- *EU energy consumption is going down, but 2020 target likely to be missed with current policies*

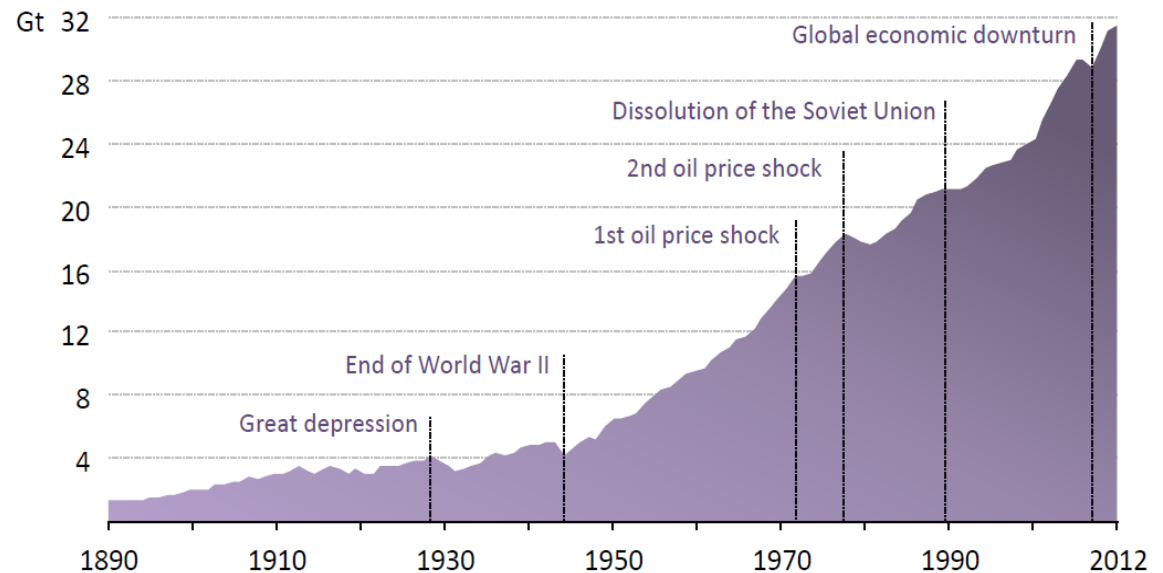


EU wholesale prices



Challenge 2: Climate Change

Global energy-related CO₂ emissions



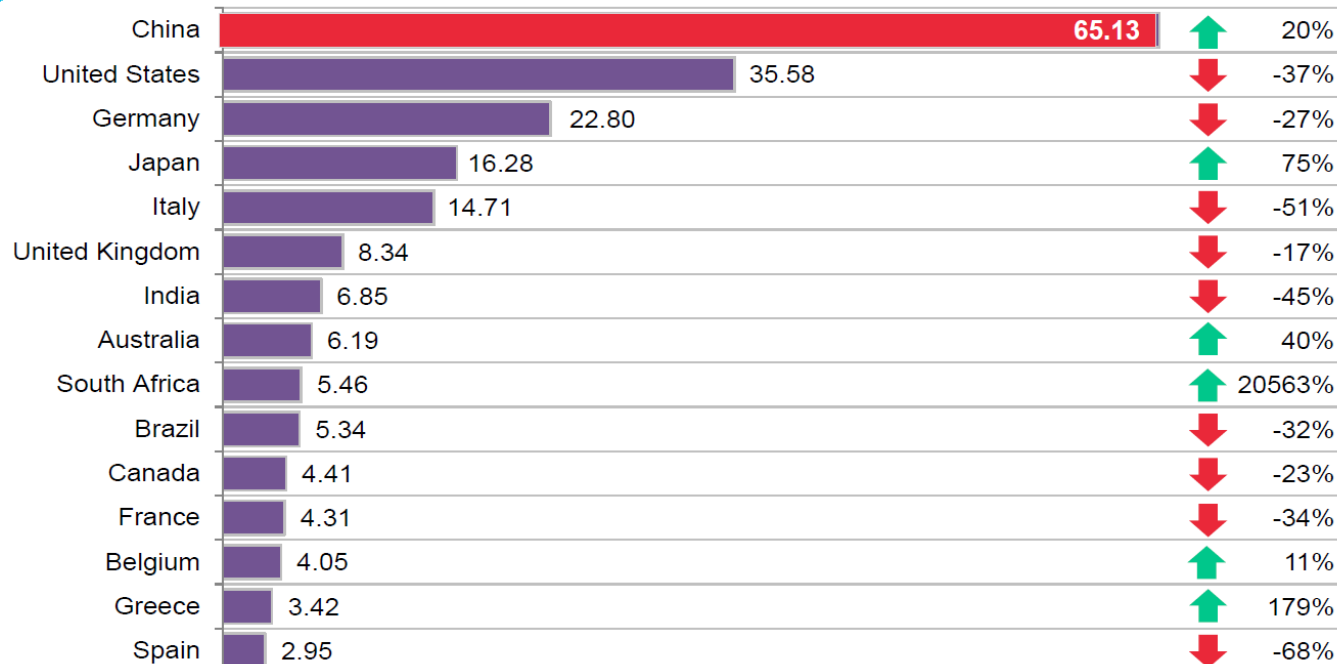
CO₂ emissions trends point to a long-term temperature increase of up to 5.3 °C

Source IEA 2013



Challenge 3: Competitiveness(1)

TOP 15 COUNTRIES FOR NEW INVESTMENT IN CLEAN ENERGY IN 2012 AND % CHANGE ON 2011 (\$BN)



Note: Excludes corporate and government R&D

Source: Bloomberg New Energy Finance