
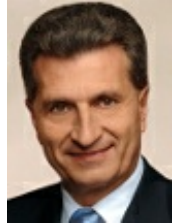


# A European energy strategy is required to secure the EU's future energy needs

 [blogs.lse.ac.uk/eurompblog/2013/10/17/a-european-energy-strategy-is-required-to-secure-the-eus-future-energy-needs/](https://blogs.lse.ac.uk/eurompblog/2013/10/17/a-european-energy-strategy-is-required-to-secure-the-eus-future-energy-needs/)

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*Europe faces a number of problems in maintaining its energy supply, from climate change to the dependency on imported energy from outside of the EU. [Günther H. Oettinger](#), the European Commissioner for Energy, outlines the main features of a proposed European energy strategy. He argues that energy challenges are among the greatest tests which Europe has to face, and that a strong, comprehensive strategy at the European level is necessary to secure the EU's future energy needs.*



Energy is the lifeblood of our society. Our way of life is inconceivable without reliable and affordable supplies of energy: electricity, heat and fuel. Never before has the world needed so much energy: we use almost twice as much as in 1980. If this trend continues, it will be difficult to avoid a major energy crisis, with electricity cuts, petrol or gas shortages.

The energy challenges are among the greatest tests which Europe has to face: We have to act to prevent global warming. At the same time, we need affordable energy prices as our economic competitiveness depends very much on competitive energy prices and a reliable energy supply. Growing EU dependence on imports from third countries is also a matter of great concern, in particular for oil (85 per cent) and gas (65 per cent). All these challenges must be addressed and require strong action.

## A new strategy for the next decade

National policies are no longer sufficient to allow a strong economic recovery and maintain our welfare. Any decision taken by one Member State has an impact on the others. Fragmented markets undermine the security of supply and limit the benefits of a fair competition while our investments for the future will only be profitable and efficient within a continental market. We must promote a common energy policy serving our joint policy objectives: competitiveness, sustainability and security of supply.

An example of the need to think internationally is gas supply. Many Member States are reliant on gas imported from Russia. We all agree that diversifying our gas supply will benefit citizens and businesses across the EU and we are looking to bring new, additional gas from the Caspian region to the EU. In the past few years, the EU Commission has held continuous talks with governments and companies alike to convince them to deliver gas from this region to Europe. And in June, this European effort will finally bear fruits. In Azerbaijan, the final decision will be taken on how much gas will be



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delivered to Europe and which pipeline project will be chosen for the first ever direct supply of Azeri gas to the EU.

To support us in our analysis, we have the European Energy Roadmap 2050. Through an analysis based on scenarios, the Roadmap 2050 indicates possible pathways to achieve the decarbonisation of the EU energy system. The purpose is not to choose one over another, but rather to identify the common emerging elements that support long-term approaches to investments. The real world will never look like these models, but the conclusions drawn from them give fundamental signals for our future policy.

The main conclusion of the Roadmap is simple: transformation of the energy system is technically and economically feasible – if we make the right choices. This includes recognising that energy savings are crucial, and that the share of renewables should rise substantially. We also need to recognise that building the necessary infrastructure is key, that European energy markets need to be fully integrated, and that we must continue to invest in low-carbon technologies. In very general terms, I see five pillars for action to the benefit of all Member States and citizens.

### **Focus on energy savings**

First, there is a vast amount of untapped potential to save energy, which would save money for individuals and businesses alike. Faced with commitments to drastically reduce our emissions and achieve the objective of increasing energy efficiency by 20 per cent by 2020, action on energy demand has the most potential with immediate impact for saving energy, reducing waste and maintaining our competitiveness. To this end, the EU has adopted a new energy efficiency directive which obliges Member States to implement binding measures such as an obligation scheme for energy companies to cut down energy consumption at customer level, and an obligation for Member States to renovate annually 3 per cent of the central government's buildings. It also encourages energy audits for small and medium enterprises, and an obligation for large companies to assess their energy saving possibilities.

### **Towards a technological shift**

In energy technology, we must consolidate and extend Europe's lead. Beyond the implementation of the [Strategic Energy Technology Plan](#), we have already launched a few large scale projects with strong European added-value. These include smart grids to link the whole electricity grid system to individual households and give better access to renewable sources of energy; and the 'smart cities' innovation partnership to promote throughout Europe integrated energy systems at local level and facilitate energy savings. Now the time has come also to focus on research efforts as of 2014. The Horizon 2020 programme will provide significant funding for energy related research – we must make the most of it.

### **A strongly integrated European Energy Single Market**

We should no longer tolerate barriers which impede energy flow within the EU. National borders can threaten the benefits of the Single Market, the competitiveness of our industry and the supply of basic needs to all our citizens. Fair competition, quality of service and free access must be guaranteed. The full and proper application of EU legislation is a must. But the existence of the adequate infrastructure is an essential condition. It is time energy is given comparable pan-European infrastructure, as other sectors of public interest such as telecommunication and transport have enjoyed for a long time: by 2015, no Member State should be isolated from the European internal market in energy supply.

This means that we have to concentrate our efforts on concrete projects necessary to achieve our goals: solidarity, an inter-connected market, new power capacities, an "intelligent grid" and large scale production of renewables available to all at competitive prices. A single European Energy Market will also increase the competitiveness of renewables, allowing excess energy generated in the sunny South to power homes in Northern Europe during times of light wind, or vice-versa on blustery days in the North and cloudier days in the South.

### **Citizens first**

These efforts should always focus on the impact on citizens. Consumers should benefit from wider choice and take advantage of new opportunities. Energy policies have to be more consumer-friendly and this will require further transparency and information: I would like all tools, like the Consumer Check List, to be improved and applied more widely. This also implies that all consumers enjoy their right to basic energy needs at all times, including in a supply crisis.

EU energy policy also aims to achieve more transparency, access to better and more information, better functioning of the retail market, development of adequate infrastructure and safety nets for vulnerable consumers. This is in addition to constant efforts for more safety and security in energy production and processing. Today, the EU represents a decisive added-value for all citizens by ensuring that the highest standards are applied in all Member States for nuclear safety and security, offshore oil and gas extraction, or the development of new energy technologies. We must keep on track and continue to be vigilant.

### **Strengthening the EU leadership in the world**

The EU should be a favoured partner in international negotiations. The present situation, where external partners can “divide and rule”, is untenable. The EU has the world’s largest regional energy market – 500 million people. It accounts for one fifth of the world’s energy use. We import on average around 3 million tonnes of oil equivalent every day. The EU is also the world’s biggest economic trading block. We must exploit our geopolitical weight in the world and enjoy the benefits of the Single Market. Every time that the EU has spoken with one voice, for instance in the nuclear international cooperation, it has led to results.

The integration of energy markets with our neighbours is a must which contributes to both our and their security. But our international relations must go further and should aim at establishing strategic partnerships with key partners. A common European policy is a strong leverage to strengthen our position in difficult negotiations and secure our international leadership.

### **Time for action**

Around the end of the year we will discuss our energy and climate goals for 2030. We will decide whether we propose three targets, as we did for 2020 – CO2 reduction, increase of renewables and energy efficiency – or just one or two, and whether they should be binding or not. We must make this decision soon to allow Member States to prepare, to give certainty to investors in industry, and to draw up the specific measures that will underpin this strategy. Our generation must take the opportunity to make of this strategic vision a reality.

*For more information on this topic, see our series on the [Dahrendorf Symposium](#)*

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*Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.*

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### **About the author**

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