European energy security strategy

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The Committee on Industry, Research and Energy adopted an own-initiative report by Algirdas SAUDARGAS (EPP, LT) on the European Energy Security Strategy, in response to the Commission communication on the same subject.

Towards a European Energy Union: whilst welcoming the Commission communication, Members considered that **equal energy security, competitiveness and sustainability in a fully integrated energy market** constitute the main pillars for the creation of an Energy Union, which can be achieved by:

- moderating and reducing energy demand,
- developing and integrating sustainable energy sources,
- pooling resources,
- connecting networks,
- reducing distance between interdependent production chains,
- developing smart grids,
- ensuring unified energy market regulation,
- favouring access to a sufficient amount of energy for every citizen,
- establishing unified negotiating positions vis-à-vis third countries through strengthened measures at EU level and more cohesive and better coordinated national policies and action.

The Energy Union, in addition to ensuring security of supply, should adopt a **comprehensive approach** focusing on key dimensions such as: (i) achievement of a fully integrated internal energy market, (ii) moderation of energy demand, (iii) decarbonisation of the energy mix (essentially based on renewable energy sources), and (iv) research and innovation aimed at leadership in energy technologies. European citizens should be at the core of the Energy Union and should be provided with secure, sustainable and affordable energy sources.

The concept of an Energy Union should be truly pan-European, encompassing both the EU and at least the Contracting Parties of the Energy Community. The creation of an Energy Union must be accompanied by a **comprehensive industrial strategy**, in the area of energy efficiency and renewable energies in particular, that is capable of contributing to the EU's reindustrialisation.

Moderating energy demand: given that the EU is not yet on track to meet its target of saving 20% of energy (371 Mtoe) by 2020, Members called on the Commission to **strictly enforce the already adopted energy efficiency legislation** and to remove the remaining barriers to energy efficiency measures, and to develop a genuine market in energy efficiency in order to foster transfer of best practices and ensure availability of products and solutions throughout the EU with aim of building a true single market in energy efficiency products and services.

Members stated that it is necessary to increase both the depth and the rate of building renovation and the use of sustainable energy sources in heating and cooling, through the right incentives in order to reduce energy demand; recommends the continuation of increasing energy efficiency standards for buildings taking account of and encouraging technical innovation.

Local authorities of European cities could significantly contribute to energy efficiency through cogeneration, modernisation of district heating systems, increasing the use of cleaner public transport, encouraging more active travel models and renovation of buildings.

The Commission is urged to:

- propose new legislation including a framework of targeted financial incentives and legal obligations to ensure a minimum, cost-optimal annual deep renovation rate for all eligible existing buildings of at least 3%;
- launch an awareness-raising campaign for European citizens on how to reduce energy consumption in households by easy and cost-efficient methods;
- develop a comprehensive strategy for transport electrification within the Energy Union;
- submit proposals for a strong 2030 energy efficiency governance.

Increasing indigenous energy production: the report stressed that the EU should develop an **action plan** and further promote a **long-term strategy** for increasing security of supply, which must include the development of sustainable indigenous energy sources, notably renewables, within the EU. The EU should consider the development of any energy source that might contribute to EU's energy security.

Members stressed that the effective use of research and technological innovations fosters the leadership of European industry and strengthens the competitive advantage and commercial viability of European business and industry, creates jobs while contributing to the main EU energy and climate policy goals. European technologies in the energy sector are of the utmost importance for energy security as they reduce energy dependence, diversify and consolidate supply options through full exploitation of indigenous energy sources, and optimise energy network infrastructure and increase energy efficiency in the medium and long term and combat energy poverty.

Towards a fully integrated internal energy market: the report demanded that the Commission **act decisively and transparently against all instances of protectionism, anti-competitive behaviour** and barriers to market entry and exit. It underlined the positive impact that market integration has had on wholesale prices, and ultimately on retail prices, in the electricity sector, allowing more affordable energy to be made available to **citizens.**

The Commission is called upon to actively support the Member States in **achieving the network and system interconnectivity objectives** and to ensure that appropriate EU financing is available in this regard. The report noted that the level of gas infrastructure development is not spread evenly across the EU. It stressed that Member States in the Baltic and in central-eastern, south-eastern and western Europe require investments to ensure full integration of infrastructure and reduce their vulnerability to disruption from single or dominant energy suppliers.

Members welcomed the European Council's proposal that electricity system interconnectivity must be ensured by integrating all the Member States into the European Continental Networks, as well as its proposal for a minimum level of electricity interconnection between Member States of 10% by 2020 and 15% by 2030. They asked for the establishment of **gas interconnection targets** too and called on the Commission to propose a concrete action plan to meet these targets. Moreover, there is an urgent need for effective and consistent implementation and application of the provisions set out in the **Third Energy Package**.

Diversifying external supply: the report stressed that **dependence on one single supplier** of energy resources, with the resulting vulnerability and lack of competition, can impede economic growth and endanger security at national and EU level.

In this regard, Members believe that **Russia can no longer be considered a reliable partner** as it explicitly questions EU law and uses energy supply for political purposes. **The diversification of routes** must be directed towards reliable suppliers, and that supply agreements should in any case foresee clear,

effective and easily applicable obligations and penalty clauses. They also stated that more attention should be given to **the development of the gas supply infrastructure and new LNG terminals** as well as to a more efficient use of existing infrastructure.

The report affirmed the overarching **principle of solidarity** between all Member States, stressing that security of energy supply is a matter of **collective action** and concerns all Member States, despite differing scales of vulnerability to supply shocks. The Commission is invited to analyse the potential structure and appropriateness of a **collective purchasing mechanism**.

Lastly, Members stressed the need to enhance the EU's ability to **speak with one voice** in order to deliver a more coherent energy diplomacy in partner countries and in multilateral forums.