

Towards a European energy union

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The European Parliament adopted by 403 votes to 177 with 117 abstentions, a legislative resolution entitled 'Towards a European Energy Union' in response to the Commission Communication on the subject.

Dimensions of the Energy Union: Parliament took note of the five pillars of the Energy Union outlined by the Commission and insisted that policies pursued under these pillars must always contribute to **ensuring the security of energy supply, decarbonisation, the long-term sustainability of the economy and the delivery of affordable and competitive energy prices**. It recalled that energy is a **public social good** and that the EU should therefore focus closely on the issue of **energy poverty** and promote concrete measures to tackle this problem. The Energy Union should: (i) ensure equal access to energy for all, (ii) contribute to affordable energy prices for the benefit of consumers, (iii) promote connections and energy infrastructure that have a strategic role for the benefit of the people, and (iv) strengthen regulation. Furthermore, it should adopt a **comprehensive approach** focusing on dimensions such as:

- achievement of a fully integrated internal energy market;
- security of supply;
- best use of EU's energy resources;
- moderation of energy demand;
- greenhouse gas reduction based essentially on renewable energy sources and an EU-wide carbon market, research and innovation aiming for energy technology leadership;
- placing citizens at its core, provided with secure, sustainable and affordable energy.

Parliament asked that all legislative proposals forming part of the Energy Union follow **the ordinary legislative procedure**, and expected the **post- 2020 governance framework for the Energy Union to be ambitious, reliable, transparent, democratic** and fully inclusive of Parliament, ensuring that the 2030 climate and energy targets are achieved. It called on the Commission to present swiftly to Parliament and the Council a **legislative proposal** taking into account the Council conclusions and Parliament's views as expressed in this report.

Members called on Member States to develop long-term energy strategies in the light of the long-term target of **achieving an 80-95 % reduction of greenhouse gases by 2050**. They recalled that Parliament has repeatedly called for binding 2030 climate and energy targets of at least a 40 % domestic reduction in GHG emissions, at least 30 % for renewables and 40 % for energy efficiency, to be implemented by means of individual national targets.

Energy security, solidarity and trust: Parliament called on the Commission and Member States to actively pursue **more sustainable and competitive prices and costs of imported energy** for European citizens and businesses through the diversification of supply (energy sources, suppliers and routes). To this end, the Commission should promote the construction of the relevant energy infrastructure priority corridors, with a special focus on Member States with high dependency. Members called for: (i) identification of **additional projects** to be included in the upcoming PCI 2015 list in order to significantly increase the capacity between Spain and France; (ii) a **Mediterranean Gas Hub** with increased LNG capacities.

Parliament stressed that all EU infrastructure projects must be **fully in line with EU climate and energy legislation and long-term objectives and priorities**, including EU energy security. Energy suppliers coming from **third countries** must also be subject to the EU acquis while operating on the common market.

In order to end the isolation of Member States and regions from the internal energy market, the Commission should carry out **gas stress tests** regularly, and consider carrying out ‘electricity stress tests’ in order to build an overview of the resilience of the entire energy market situation.

As regards the security of energy supply as well as its competitiveness, Member States should **upgrade their coordination and cooperation at EU level with their neighbours**.

Parliament considered that the Energy Union entails **negotiating with one voice with third countries** and strengthening the role of the Commission in negotiations relating to energy. It called on the Commission to:

- analyse the appropriateness and potential structure of a **voluntary collective purchasing mechanism** and its impact on the functioning of the internal gas market, the undertakings affected and its contribution to ensuring security of gas supply;
- set up a comprehensive framework for the external dimension of the Energy Union, with specific reference to the promotion of **strategic partnerships with producing and transit third countries**;
- create a **high-level reflection group on energy security**, foreign policy and the Energy Union, with strong representation and involvement from Parliament and of societal stakeholders.

Members also considered that **diversity in the energy mixes of Member States is an asset to the EU as a whole**; however it must not represent a barrier to the single market.

A fully integrated European energy market: Parliament believed that the future Energy Union must establish a **free flow of energy** across EU and Energy Community countries. The backbone of the future Energy Union must be a **fully functioning, interconnected internal energy market** that delivers safe, secure, fairly distributed, socially and environmentally responsible, efficient, competitive, affordable and sustainable energy. Market-based mechanisms must be complemented by tangible and ambitious security of supply and **solidarity mechanisms**, such as more efficient regional and EU level crisis management

Parliament called for the full implementation and enforcement of existing **EU state aid**, energy, environment and climate legislation, and for an assessment of the implementation of the Third Energy Package and of the benefits generated for consumers, the removal of derogations from the Third Energy Package and for a swift adoption and implementation of European network codes and guidelines.

According to Members, a properly designed future model of the electricity market in the EU is urgently needed and must aim at **promoting the necessary investment** to guarantee supply in the long term and at a more market-based and – from the point of view of network security – optimised **integration of renewable energy sources**.

Parliament called for the establishment of a **pan-European electricity grid and gas network** with the capacity to transmit power and gas across EU countries from multiple sources. It reiterated its commitment to achieve the 10 % interconnectivity target in order to complete the Internal Energy Market in EU, and welcomed the European Council's proposal for a minimum level of electricity interconnection between Member States of 15 % by 2030.

The Energy Union should also contribute towards an "**Energy Investment Union**", ensuring that the more than EUR 1 trillion of investment required in the coming years to revitalise Europe's economy comes from private and public investors.

Members also stressed the need to strengthen **regional cooperation** and policy coordination to achieve broader EU-wide energy market integration.

Energy efficiency contributing to moderation of demand: gains in energy efficiency both reduce energy bills for households and industries and have the potential to create two million jobs as a result of energy efficiency measures by 2020, in particular in the building sector, which accounts for 40 % of total EU energy demand.

Parliament called on the Commission and Member States to apply the 'energy efficiency first' principle and remove remaining barriers to energy efficiency measures, and to **develop a genuine market in energy efficiency**.

It stressed the need 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. Parliament underlined that a **revision of existing energy efficiency** legislation, including the [Energy Performance of Buildings Directive](#) and the [Energy Efficiency Directive](#), alongside proper implementation of such legislation by Member States.

Towards a sustainable economy: Members underlined the **crucial role of renewables** in the EU in attaining energy security and political and economic independence by reducing the need for energy imports, as well as their vital role in improving air quality and creating growth and jobs. They welcomed the commitment from the Commission to make the European Union "**the world number one in renewables**" and urged the Commission to present an operational and workable strategy to this effect.

- While recognising that the energy mix is primarily a Member State competence, Members believed that public concerns must be properly addressed and that any **hydraulic fracturing** activities should **comply with the highest climate, environmental and public health standards**. They asked those Member States which intend to pursue hydraulic fracturing to respect the [2014 Commission recommendation on](#) minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing.
- Members also stated that **decarbonisation technologies such as CCS and Carbon Capture and Use (CCU)** would need to be further developed and improved through considerable research and innovation efforts.
- As regards **nuclear energy** – which provided 27 % of the EU's electricity mix and over half of all EU low-carbon power in 2014-, Parliament called on Member States that are phasing out nuclear power to make certain that it is replaced with a mode of energy production that can contribute commensurately to the energy supply and to stabilising the common system for production and distribution.

Delivering the Energy Union: citizens and cities: energy must be made affordable to all citizens of the EU. Members considered that avoiding unnecessary consumption would enable many households to access a single, sustainable, competitive and secure energy market and **escape energy poverty**, which in 2012 affected one in four EU citizens.

As part of any review of the retail energy markets, serious consideration should be given to **further measures to protect consumers**, such as requiring energy bills to include comparisons with competitors based on historical consumption patterns, requiring suppliers to automatically place their customers on the most advantageous tariff available, and ensuring a limited, easily comparable range of standardised tariffs.

The Commission is invited to present a **communication on energy poverty in Europe**, accompanied by an action plan to fight against it, which contains a definition and indicators of energy poverty.

Transport: the sector represents over 30% of final energy consumption in Europe and that 94% of transport relies on oil products. Members considered, therefore, that a **cleaner energy system, with a clear link to the decarbonisation of the transport sector**, should be at the core of a framework strategy for a resilient Energy Union.

The Commission is called upon to: (i) put forward a comprehensive road transport strategy, as part of the decarbonisation of the transport sector; (ii) revise the fuel consumption and CO₂ labelling scheme for passenger cars.

Research: Parliament called on the Commission to intensify its research efforts regarding the better use of Europe's energy resources and the lessening of their environmental impact: in this regard, Members recommended that all the EU's funding options for **boosting safe and sustainable low-carbon energy technologies**, energy efficiency, renewables, smart grids, decentralised production, flexible generation, electrical storage and electrification of the transport system must be fully exploited.

Lastly, Parliament asked the Commission to take part in the **commitment from 6 000 European cities** to be leaders in the energy transition notably through the Covenant of Mayors.