A European Strategy for Energy System Integration

2020/2241(INI) - 19/05/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 542 votes to 111, with 42 abstentions, on a European strategy for energy system integration.

Coherent long-term approach and stable regulatory framework

Members endorsed the direction set out by the Commission in its communication on a strategy for energy system integration, namely a prioritisation of energy efficiency and savings, decarbonisation of end-uses through direct electrification, and renewable and low-carbon fuels for applications where there is no other choice.

Recalling that the energy transition will require between **EUR 520 and EUR 575 billion** of annual investment in infrastructure and renewable energy deployment, Parliament called for a coherent long-term approach in a spirit of solidarity and cooperation, as well as a stable regulatory framework for the industries concerned and society at large.

In the aftermath of the COVID-19 pandemic, this strategy should set out a vision for a climate-neutral economy, enhance energy security and competitiveness, boost employment and SMEs, protect health and the environment, and promote sustainable growth and innovation.

The Commission is invited to explore different avenues that can help each Member State to use the most effective decarbonisation solutions according to its needs and resources.

Optimising and decarbonising energy systems

Parliament recalled hat circularity and direct electrification, where possible, present an important pathway towards decarbonisation. Given the high energy consumption in the water sector, the Commission is called on to consider energy-efficient measures for the EU water sector and the possibility of using treated waste water as an on-site source of renewable energy in energy system integration.

The resolution welcomed the new EU **Methane** Strategy and called on the Commission to propose measures to further reduce methane emissions in the energy sector.

Given the insufficient progress in energy efficiency and building renovation, Members called on the Commission to review the targets set out in the energy efficiency directive, making them more aligned with the climate targets.

Parliament called for the further implementation of the **heating and cooling strategy**. District heating and cooling networks should be included as potential projects of common interest under the TEN-E Regulation.

Members also highlighted the potential for **re-using waste**, in particular energy and thermal waste from industrial processes, bio-waste, buildings and data centres. They called for priority to be given to the development of a renewable hydrogen supply chain in Europe and stressed the need for ambitious targets to move towards decarbonisation of all modes of passenger and freight transport.

The Commission is called on to extend the principle of energy efficiency to the whole value chain and to all end-uses as a cost-efficient way to reduce emissions

Balancing energy systems

Maintaining the balance of electricity grids and managing demand and production peaks will be more complex with an increasingly decentralised and renewable generation mix. In this respect, Members underlined the role of demand-side response, storage and smart energy management. They stressed that moving towards decentralised energy production has many benefits.

Members regretted that a number of Member States have not yet reached their 10 % electric interconnection target by 2020. They welcomed the Commission's proposal to raise the 2030 electricity interconnection target to 15 %, provided that it better supports national investments through the list of projects of common interest.

Stressing the role that **electric mobility** can play as a form of smart integration of the power and transport sectors by unlocking flexibility capacities, Members noted that the electrification of the transport sector has the potential to increase the EU's energy strategic autonomy by reducing the need for imported fossil fuels. They underlined the storage and flexibility potential of the deployment of 'vehicle-to-grid' technologies and noted that it will require the interoperability of energy systems and electric vehicles.

Furthermore, underlining the EU's heavy dependence on imports of lithium-ion batteries, Parliament welcomed the approach of the strategic action plan on batteries, notably the diversification of raw material sources, the development of substitutes for rare earths and the creation of the European battery alliance.

Ensuring energy accessibility for all citizens and businesses

Parliament stressed the importance of guiding customers towards the most energy-efficient and cost-effective decarbonisation option, on the basis of prices that properly reflect all the costs of the energy carrier used. It highlighted the consumer empowerment potential in the integrated renewable energy systems to generate, consume, store, and sell energy. The resolution reiterated the potential of energy communities and micro grids to develop access to more sustainable energy, especially for remote areas, islands and the outermost regions.

Ensuring European leadership on sustainable and renewable energy technologies

Members stressed the importance of increasing the competitiveness of European technologies to foster the autonomy of the Union in the strategic energy sector. They called on the Commission to support research and innovation through the various structural and sectoral funds.

To ensure a just transition, the resolution called on the Commission and Member States to address structural changes in the energy sector in all relevant legislative proposals in order to help facilitate the transition towards climate neutrality.