



ENERGY POLICY: GENERAL PRINCIPLES

Challenges facing the EU in the field of energy include issues such as increasing import dependency, limited diversification, high and volatile energy prices, growing global energy demand, security risks affecting producing and transit countries, the growing threats of climate change, slow progress in energy efficiency, challenges posed by the increasing share of renewables, and the need for increased transparency, further integration and interconnection in energy markets. A variety of measures aiming to achieve an integrated energy market, security of energy supply and a sustainable energy sector are at the core of the EU's energy policy.

LEGAL BASIS

Article 194 of the Treaty on the Functioning of the European Union (TFEU).

Specific provisions:

- Security of supply: Article 122 TFEU;
- Energy networks: Articles 170-172 TFEU;
- Coal: Protocol 37 clarifies the financial consequences resulting from the expiry of the ECSC Treaty in 2002;
- Nuclear energy: the Treaty establishing the European Atomic Energy Community (Euratom Treaty) serves as the legal basis for most EU actions in the field of nuclear energy.

Other provisions affecting energy policy:

- Internal energy market: Article 114 TFEU;
- External energy policy: Articles 216-218 TFEU.

OBJECTIVES

According to the Energy Union (2015), the five main aims of the EU's energy policy are to:

- Ensure the functioning of the internal energy market and the interconnection of energy networks;
- Ensure security of energy supply in the EU;
- Promote energy efficiency and energy saving;



- Decarbonise the economy and move towards a low-carbon economy in line with the Paris Agreement;
- Promote the development of new and renewable forms of energy to better align and integrate climate change goals into the new market design;
- Promote research, innovation and competitiveness.

Article 194 TFEU makes some areas of energy policy a shared competence, signalling a move towards a common energy policy. Nevertheless, each Member State maintains its right to ‘determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply’ (Article 194(2)).

ACHIEVEMENTS

A. General policy framework

The current policy agenda is driven by the comprehensive integrated climate and energy policy adopted by the European Council on 24 October 2014, which sets out to achieve the following by 2030:

- A reduction of at least 40% in greenhouse gas emissions compared to 1990 levels;
- An increase to 27% of the share of renewable energies in energy consumption;
- An improvement of 20% in energy efficiency, with a view to achieving 30%;
- The interconnection of at least 15% of the EU’s electricity systems.

On 30 November 2016, the Commission proposed the ‘Clean Energy Package For All Europeans’ ([COM\(2016\)0860](#)), with the aim of keeping the European Union competitive as the clean energy transition changes global energy markets. The package includes eight legislative proposals covering governance, electricity market design (the Electricity Directive, Electricity Regulation and Risk-Preparedness Regulation), energy efficiency, energy performance in buildings, renewable energy and rules for the regulator, ACER.

A proposal for a regulation on the Governance of the Energy Union, as part of the ‘Clean Energy for all Europeans’ package, was put forward by the European Commission on 30 November 2016. The report was adopted in plenary on 17 January 2018 together with a mandate for interinstitutional negotiations. A provisional agreement was reached on 20 June 2018 and formally adopted by Parliament on 13 November and by the Council on 4 December 2018 (Regulation (EU) 2018/1999).

According to the Regulation, each Member State must present an ‘integrated national energy and climate plan’ by 31 December 2019 and every ten years thereafter. These long-term national strategies will set a policy vision for 2050, ensuring that Member States meet the goals of the Paris Agreement. These integrated national energy and climate plans will include national targets, contributions, policies and measures for each of the five dimensions of the Energy Union: decarbonisation, energy efficiency, energy security, internal energy market, and research, innovation and competitiveness.



B. Completing the Internal Energy Market

The Third Energy Package, the Regulation on Guidelines for Trans-European Energy Infrastructure (Regulation (EU) No 347/2013), the Regulation on Wholesale Energy Market Integrity and Transparency (Regulation (EU) No 1227/2011), the Electricity Directive ([COM\(2016\)0864](#)), the Electricity Regulation ([COM\(2016\)0861](#)) and the Risk-Preparedness Regulation ([COM\(2016\)0862](#)) are some of the main legislative instruments aiming to contribute to the better functioning of the internal energy market (see fact sheet [2.1.9](#) on the internal energy market).

C. Boosting energy efficiency

The cornerstone of EU energy efficiency policy is Directive 2012/27/EU of 25 October 2012 on energy efficiency, which aims to bring Member States back on track towards meeting the 2020 targets. In November 2016, the Commission proposed to revise Directive 2012/27/EU ([COM\(2016\)0761](#) and [COM\(2016\)0765](#)) in order to reinforce the energy performance of new buildings, speed up the pace of refurbishment of existing buildings to make them more energy efficient, and make the most of the enormous potential of energy efficiency gains in the construction sector (see fact sheet [2.4.8](#) on energy efficiency).

D. Making the best use of the EU's indigenous energy resources (including renewables)

One of the agreed priorities of the May 2013 European Council was to intensify the diversification of the EU's energy supply and to develop local energy resources in order to ensure security of supply and reduce external energy dependency. With regard to renewable energy sources, Directive 2009/28/EC of 23 April 2009 introduced a 20% target to be reached by 2020, and the Commission proposed a target of at least 27% by 2030 in a revised Renewable Energy Directive ([COM\(2016\)0382](#)) (see fact sheet [2.4.9](#) on renewable energy).

E. Strengthening external energy relations

The Commission communication entitled 'On the security of energy supply and international cooperation — EU energy policy: Engaging with partners beyond our borders' ([COM\(2011\)0539](#)) was adopted on 7 September 2011, with the objective of promoting further cross-border cooperation on the part of the EU with its neighbouring countries and creating a wider regulatory area, through regular information exchange on intergovernmental agreements and collaboration in the areas of competition, safety, network access and security of supply. Following on from this, the decision to set up an information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy ([T7-0343/2012](#)) was adopted on 25 October 2012.

F. Improving security of energy supply

In the light of the crucial importance of gas and oil for the security of the EU's energy supply, the EU adopted several measures to ensure that risk assessments are carried out and that adequate preventive action plans and emergency plans are developed. Regulation (EU) No 994/2010 concerning measures to safeguard security of gas supply was adopted on 20 October 2010 with the aim of strengthening prevention and crisis



response mechanisms. Directive 2009/119/EC requires Member States to maintain minimum oil stocks, corresponding to 90 days of average daily net imports or 61 days of average daily inland consumption, whichever of the two quantities is greater. The Commission has proposed extending the scope of application of Directive 2009/73/EC (the Gas Directive) to pipelines to and from third countries, including existing and future pipelines ([COM\(2017\)0660](#)).

In response to the crisis in Ukraine, Regulation 2017/1938 provides for enhanced regional cooperation, regional preventive action plans and emergency plans, and a solidarity mechanism to safeguard the security of the gas supply.

G. Research, development and demonstration projects

The Horizon 2020 (H2020) programme runs from 2014 to 2020 and is the main EU tool for promoting energy research. Funds amounting to EUR 5 931 million have been earmarked to support the development of clean, secure and efficient energy and sustainable development.

The European Strategic Energy Technology Plan (SET-Plan), adopted by the Commission on 22 November 2007, aims to accelerate the market introduction and take-up of low-carbon and efficient-energy technologies. The plan promotes measures to help the EU position itself in order to develop the technologies needed for it to meet its political objectives and, at the same time, ensure that EU companies can benefit from the opportunities generated by a new approach to energy. The Commission communication (C(2015)6317) entitled 'Towards an Integrated SET Plan: Accelerating the European Energy System Transformation' evaluated the implementation of the SET-Plan and concluded that 10 actions should be put in place to accelerate the energy system transformation and create jobs and growth.

The Commission communication on 'Energy Technologies and Innovation' ([COM\(2013\)0253](#)), published on 2 May 2013, sets out a strategy to enable the EU to have a world-class technology and innovation sector fit for coping with the challenges up to 2020 and beyond.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament has always expressed its strong support for a common energy policy addressing competitiveness, security and sustainability issues. It has called numerous times for coherence, determination, cooperation and solidarity between Member States in facing current and future challenges in the internal market and for the political commitment of all Member States, as well as a strong initiative from the Commission as regards progress towards the 2030 objectives.

Parliament has been striving for greater energy market integration and the adoption of ambitious, legally binding targets for renewable energy, energy efficiency and greenhouse gas reductions. In this connection, Parliament supports the adoption of stronger commitments to the EU's own targets, underlining the fact that the new energy policy must support the long-term objective of reducing the EU's greenhouse gas emissions by 80 to 95% by 2050.



Parliament also supports the diversification of energy sources and routes of supply, and the importance of the gas and electricity interconnections through central and southeastern Europe along a north-south axis, in terms of creating more interconnections, diversifying liquefied natural gas terminals and developing pipelines, thereby opening up the internal market.

With a view to Europe's growing dependence on fossil fuels, Parliament welcomed the SET-Plan, convinced that it would make an essential contribution to sustainability and security of supply and would prove to be absolutely necessary for attaining the EU's energy and climate goals for 2030. In highlighting the significant role of research in ensuring a sustainable energy supply, Parliament stressed the need for common efforts in the field of new energy technologies and both renewable energy sources and sustainable fossil fuel technologies, as well as for additional public and private funding to ensure the successful implementation of the plan.

Following these objectives, Parliament has expressed its support for the measures proposed by the Commission in the Clean Energy Package For All Europeans^[1], in the recent major resolutions listed below:

- 6 February 2018: Parliament adopted a series of non-legislative recommendations drafted by its Committee on Industry, Research and Energy aiming to boost energy innovation by improving citizens' active participation and by planning a long-term vision on how to allocate resources^[2];
- 17 January 2018: Parliament set new binding targets for energy efficiency and the use of renewables by 2030. MEPs supported a reduction of 40% in EU energy consumption by 2030 and a share for renewables of at least 35%^[3];
- 19 December 2017: Parliament and the Council agreed provisionally on energy-efficient buildings. Member States will be obliged to develop long-term strategies to ensure that buildings in the EU hardly use any energy by 2050^[4];
- 7 December 2017: Parliament's Committee on Industry, Research and Energy and Committee on the Environment, Public Health and Food Safety approved the set of rules that will govern the Energy Union^[5];
- 12 September 2017: Parliament adopted a legislative resolution on new cooperation rules allowing an EU country facing an emergency gas shortage to alert another Member State of the impending supply crisis and trigger cross-border assistance to remedy it^[6];

[1]<https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

[2]<http://www.europarl.europa.eu/news/en/press-room/20180202IPR97028/clean-energy-innovation-needs-a-change-of-mind-set>

[3]<http://www.europarl.europa.eu/news/en/press-room/20180112IPR91629/meps-set-ambitious-targets-for-cleaner-more-efficient-energy-use>

[4]<http://www.europarl.europa.eu/news/en/press-room/20171219IPR90606/energy-efficient-buildings-provisional-agreement-ep-and-council>

[5]<http://www.europarl.europa.eu/news/en/press-room/20171207IPR89713/energy-union-meps-adopt-their-initial-view-of-the-governance-set-up>

[6]<http://www.europarl.europa.eu/news/en/press-room/20170908IPR83456/sharing-gas-to-ensure-gas-for-all>



- 13 June 2017: Parliament adopted a legislative resolution on simplifying energy labels for home appliances by introducing a scale running from A to G, enabling customers to choose products that reduce energy consumption and their energy bills^[7].

On 11 December 2018, Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action was adopted in plenary. According to the Regulation, each Member State must present 'integrated national energy and climate plans', which will include national targets, contributions, policies and measures for each of the five dimensions of the Energy Union: decarbonisation, energy efficiency, energy security, internal energy market, and research, innovation and competitiveness.

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[7]<http://www.europarl.europa.eu/news/en/press-room/20170609IPR77001/simplifying-energy-labels-for-home-appliances-to-a-to-g>

