

Hearings of European Commissioners-designate

Maroš Šefčovič

Vice-President – Energy Union

Hearing due to be held on Monday 20 October at 19.00 hours.



Maroš Šefčovič, Slovakia.

Vice-President

Will steer and coordinate the work of the Commissioners for Climate Action and Energy; Transport; Internal Market, Industry, Entrepreneurship and SMEs; Environment, Maritime Affairs and Fisheries; Regional Policy; Agriculture and Rural Development; and Research, Science and Innovation.

EP Committees responsible for the Hearing

Industry, Research and Energy (ITRE)
Environment, Public Health and Food Safety (ENVI)

Biography

Born in 1966, Maroš Šefčovič has degrees in economics, international relations and law. As a Slovak diplomat, he was Ambassador to Israel and Permanent Representative to the European Union from 2004 to 2009. He was Vice-President in the outgoing European Commission, responsible for inter-institutional relations and administration.

This Briefing has been prepared for the additional hearing required after Commission President-elect Jean-Claude Juncker reshuffled his team following the completion of the original set of parliamentary hearings of Commissioners-designate. On 15 October, Maroš Šefčovič was designated Vice-President for Energy Union. He will therefore undergo a second hearing, after earlier winning approval from the Transport and Tourism Committee for his nomination as Commissioner for Transport and Space. The Vice-President's portfolio has been adjusted to ensure he also has a coordination role in the transport field. Designed to give Members of the European Parliament an overview of major issues of interest in the context of the hearings, the full set of these Briefings can be found at: http://epthinktank.eu/commissioner_hearings

Commission President-elect Jean-Claude Juncker has organised the Commission around several project teams, corresponding to certain of his political priorities. The Vice-Presidents in charge of these projects, of which Maroš Šefčovič is one, have been asked to steer and coordinate work across the Commission, to focus better on achieving the goals set for these projects. The Vice-Presidents will also be in charge of the follow-up, implementation and communication of the Commission's priority policies across the Union and beyond.

Background

The internal energy market in the European Union (EU) was established by three market liberalisation packages (adopted in 1990, 2003 and 2009), which provide for the 'unbundling' of energy production and supply from energy-transmission networks, as well as third-party access to gas storage facilities, reinforced consumer protection, and strengthened regulatory surveillance.

In the area of climate action, the EU is committed to taking action to limit global warming. The EU's long-term objective is to reduce EU greenhouse gas (GHG) emissions by 80-95% by 2050, compared to 1990 levels. For the period up to 2020, the EU's targets are for a 20% reduction in GHG emissions, a 20% market share for renewable energy sources, and a 20% improvement in energy efficiency. These so-called '20-20-20' targets, part of the Europe 2020 strategy, were enacted in the 2009 climate and energy package.

Treaty base and EP powers

The objectives of EU energy policy, set out in Article 194 of the Treaty on the Functioning of the European Union (TFEU), are a functioning energy market, interconnected energy networks, security of energy supply, promotion of energy efficiency and saving, and the development of new and renewable forms of energy. Articles 170-172 TFEU concern trans-European energy networks. Combating climate change is one of the objectives of EU environmental policy (Article 191 TFEU).

Energy and climate policies are a shared competence between the EU and Member States, and subject to codecision by the European Parliament (EP) and Council (ordinary legislative procedure). However, codecision does not extend to the choice of energy sources or the structure of energy supply.

Recent developments

The global energy picture changed substantially during the seventh parliamentary term (2009-14). While prices for fossil fuels in Europe have increased, the North American 'shale revolution' has led to a substantial fall of gas prices in the US, and a corresponding loss of competitiveness for energy-intensive industries in Europe. The role of shale gas in the future of European energy supply is still uncertain, both from the technical/economic point of view and in terms of public opinion and political support.

While the US has reduced its dependence on energy imports by developing shale gas and tight oil resources, Europe remains dependent on imported energy. Although the EU has diversified its suppliers and supply routes, some Member States are still completely dependent on a single supplier. Recent events in Ukraine have given rise to growing concern about the short/medium-term security of Europe's gas supplies. At the request of the European Council, the Commission presented a European Energy Security Strategy in May 2014, outlining short-term measures and medium to long-term challenges. Moreover, an initiative launched earlier in 2014 by the then Polish Prime

Minister, to move beyond the internal energy market towards a genuine European energy union, has gained the support of some Member States.

In January 2014, the Commission proposed a policy framework for climate and energy for the period 2020-30. It proposes a binding greenhouse gas reduction target of 40% and a binding target of 27% for the EU-wide market share of renewable energy sources. In July 2014, the Commission proposed a 30% target for energy efficiency. Further to its conclusions of June 2014, the European Council intends to decide on the framework by October 2014.

European Parliament

New energy-related legislation includes the 2012 Energy Efficiency Directive that sets binding energy efficiency measures as well as non-binding national targets. The Regulation on wholesale energy market integrity and transparency (REMIT) introduces stringent rules on wholesale energy trading. The Regulation on guidelines for trans-European energy infrastructure facilitates the approval of projects of common interest, which may also receive financial support from the Connecting Europe Facility (CEF).

The European Parliament (EP) resolution of 10 September 2013 on the internal energy market emphasises the need for consumer protection, and stresses that modernising energy infrastructure is essential. Moreover, the EP has repeatedly called for the creation of a 'European Energy Community'. (The assignment of a Commission portfolio for 'Energy Union' suggests that this concept has been picked up, in part at least.)

Climate legislation adopted during the seventh parliamentary term includes a regulation to reduce the use of fluorinated greenhouse gases (F-gases), and new targets for the CO₂ emissions of passenger cars and light commercial vehicles.

Regarding climate and energy targets for 2030, the EP's February 2014 resolution considered the Commission's proposal 'short-sighted and unambitious', and called for at least 30% market share and individual national targets for renewables, and a 40% improvement in energy efficiency.

Priorities and challenges

A main priority for the Vice-President is the establishment, in the course of this Commission's mandate, of a 'resilient Energy Union, with a forward-looking climate change policy'. Member States are to pool resources, combine infrastructure and negotiate with one voice vis-à-vis third countries. Security of supply is to be achieved by diversifying energy suppliers and routes of energy imports, and reversing energy flows if necessary. The Vice-President is to coordinate specific actions to strengthen Europe's energy security and counter-act short-term energy shortages.

Another priority is strengthening the share of renewables in Europe, considered not only as part of climate policy, but also as a driver of job creation and 'green growth'. By developing EU policy for renewables, the EU should become the global leader in this sector, and ensure the medium-term availability of affordable energy. Energy efficiency should be enhanced beyond the 2020 objective, particularly in the buildings sector. The Commission President-elect considers a binding 30% objective for energy efficiency by 2030 as the minimum. Transport policy is to contribute to these objectives.

The Vice-President is to coordinate efforts to achieve EU targets in the field of energy for 2020 and 2030, including the '20-20-20' targets set out in the Europe 2020 strategy.

Completing the internal energy market should increase competition in the energy market – resulting in lower costs for households and industry and stronger economic growth. EU energy legislation should be improved, reinforced and fully applied.

Another focus is enhancing the conditions for public and private investments in infrastructure such as energy networks, renewable energy and energy efficiency. This should be part of a new €300 billion jobs, growth and investment package, to be developed in the first three months of the Commission's mandate by a project team led by the Vice-President for Jobs, Growth, Investment and Competitiveness.

The Vice-President is supported by the Commissioner for Climate Action and Energy in international climate policy. The negotiation of a new global climate agreement – to be concluded in Paris in December 2015 – will be a high priority. While Europe has reduced its GHG emissions, global emissions keep growing.

The Vice-President's mission includes strategic policies in the field of transport and space which contribute to the objective of a resilient energy union, and policies for reducing greenhouse gas emissions, especially from the industrial and transport sectors, in support of sustainable growth.

European Added Value

The EP's 'Mapping the Cost of Non-Europe, 2014-19' study estimates that an economically and physically more integrated energy market in Europe could deliver at least €50 billion in efficiency gains per year, based on the EP's own assessment and estimates from other sources.

Further reading

[Committee on the Environment, Public Health and Food Safety: Activity report on the 7th parliamentary term \(2009-2014\)](#) / European Parliament, 2014.

[Committee on Industry, Research and Energy: Activity report 7th legislature](#) / European Parliament, 2014.

[Climate change and the environment](#), Factsheets on the EU / European Parliament, 2014.

[Energy policy](#), Factsheets on the EU / European Parliament, 2014.

[The EU's Energy Security Made Urgent by the Crimean Crisis](#) / European Parliament, 2014.

[Unconventional gas and oil in North America](#) / Gregor Erbach, EPRS, 2014.

[Mapping the Cost of Non-Europe, 2014-19](#) / Joseph Dunne, EPRS, July 2014.

[The cost of non-Europe in the Single Market for energy](#) / Micaela Del Monte, European Added Value Unit, European Parliament, June 2013

[EU climate and energy policies post-2020](#) / EPRS, 2014.

Disclaimer and Copyright

The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2014.

Photo credits: © European Union, 2014 - EP.

eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

<http://www.europarl.europa.eu/thinktank> (internet)

<http://epthinktank.eu> (blog)