ENERGY POLICY: GENERAL PRINCIPLES

Challenges facing Europe 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 on energy markets. A variety of measures aiming to achieve an integrated energy market, security of energy supply and sustainability of the energy sector are at the core of the European 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 European 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 Treaty of Lisbon, the main aims of the EU’s energy policy are to:
— ensure the functioning of the energy market;
— ensure security of energy supply in the Union;
— promote energy efficiency and energy saving and the development of new and renewable forms of energy; and
— promote the interconnection of energy networks.

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 in March 2007, which sets out to achieve the following by 2020:

— a reduction of at least 20% in greenhouse gas emissions compared to 1990 levels;
— an increase to 20% of the share of renewable energies in energy consumption;
— an improvement of 20% in energy efficiency.

A Green Paper entitled ‘A 2030 framework for climate and energy policies’ ([COM(2013) 0169](#)), launching discussions on the post-2020 goals and policies, was published by the Commission on 27 March 2013.

Different long-term scenarios are described in the Commission communication entitled ‘Energy Roadmap 2050’ ([COM(2011) 0885](#)), which reflects on the challenges and opportunities the EU is facing on its road to long-term decarbonisation.

**B. Completing the Internal Energy Market**

On 4 February 2011, the European Council agreed upon an ambitious objective to complete the Internal Energy Market by 2014 and to ensure that there are no energy islands in the EU. This objective was reaffirmed by the European Council in March 2014. The Third Energy Package, the Regulation on Guidelines for Trans-European Energy Infrastructure (Regulation (EU) No 347/2013) and the Regulation on Wholesale Energy Market Integrity and Transparency (Regulation (EU) No 1227/2011) are some of the main legislative instruments aiming to contribute to the better functioning of the internal energy market ([5.7.2](#) on the internal energy market).

**C. 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) 539](#)) 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.

**D. Improving security of energy supply**

In 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 and repealing Council Directive 2004/67/EC 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 a minimum
of 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.

In response to the crisis in Ukraine, the March 2014 European Council called on the Commission to present by June 2014 a comprehensive plan to reduce EU energy dependence.

E. 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. Some other important policy instruments include product labelling and measures targeting the energy efficiency of buildings (5.7.3 on energy efficiency).

F. 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 EU 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 (5.7.4 on renewable energy).

G. Research, development and demonstration projects

1. Horizon 2020 (H2020)

The Horizon 2020 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.

2. European Strategic Energy Technology Plan (SET-Plan)

The SET-Plan, adopted by the Commission on 22 November 2007, is aimed at accelerating the market introduction and take-up of low-carbon and efficient energy technologies. The Plan promotes measures to help the EU position itself to develop the technologies needed for meeting its political objectives and, at the same time, to ensure that its companies can benefit from the opportunities of a new approach to energy. The Commission communication on ‘Investing in the Development of Low Carbon Technologies (SET-Plan)’ (COM(2009) 0519) evaluated the implementation of the SET-Plan and concluded that stronger EU-level intervention should be considered if the plans to develop a broad portfolio of technologies were to succeed.

3. Future energy technology strategy

The Commission communication on ‘Energy Technologies and Innovation’ (COM(2013) 0253), published on 2 May 2013, sets out the 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 a number of 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 in progressing towards the 2020 objectives.

It 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 that the new energy policy must support the long-term objective of reducing the EU’s greenhouse gas emissions by 80-95% by 2050.

It also supports the diversification of energy sources and routes of supply, in particular the development of the southern gas corridor, deeper cooperation with countries in the Caspian Sea region and, more generally, the importance of the gas and electricity interconnections through central and south-eastern Europe along a north-south axis, 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 the security of supply, and prove to be absolutely necessary in attaining the EU’s energy and climate goals for 2020. Underlining 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, in 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.

Recent major resolutions:

— 15 December 2015: The European Parliament adopted a resolution entitled ‘Towards a European Energy Union’ in response to the Commission communication on the subject. 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;

— 5 February 2014 on a 2030 framework for climate and energy policies (T7-0094/2014);

— 10 September 2013 on making the internal energy market work (T7-0344/2013);

— 21 May 2013 on current challenges and opportunities for renewable energy in the European internal energy market (T7-0201/2013);

— 21 May 2013 on the proposal for a Regulation of the European Parliament and of the Council on safety of offshore oil and gas prospection, exploration and production activities (T7-0200/2013);

— 14 March 2013 on the Energy Roadmap 2050, a future with energy (T7-0088/2013);

— 12 March 2013 on the proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (T7-0061/2013);


— 12 June 2012 on engaging in energy policy cooperation with partners beyond our borders: A strategic approach to secure, sustainable and competitive energy supply (T7-0238/2012).

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