



- Energy 2020:  
A Strategy for competitive,  
sustainable and secure energy

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# ● Why a new Strategy for European energy policy?

## *Rising challenges...*

- The EU committed to cut its greenhouse gas emissions to combat climate change. The energy system must become low-carbon.
- Dependence on imports of oil and gas is growing. The EU needs to save energy and find new energy alternatives and to produce more of its own energy.
- Energy prices are rising. Citizens and businesses are entitled to have access to affordable energy.
- Growth and jobs are at stake: urgent and ambitious decisions are needed to support our industrial future.

# ● Why a new Strategy? *Serious gaps in European energy policy delivery...*

- The current state of implementation of European energy legislation is overall poor
- The energy savings potential continues to be greatly underutilised
- The internal energy market does not function properly yet
- Another important weakness is the lack of a European infrastructure framework
- Innovation remains critical and must be given even higher priority
- The coordination of the external dimension of the EU energy policy also remains weak



# Why a new Strategy?

*Growing energy interdependence calls for more European action...*

- National energy decisions have an impact on other countries. Energy security needs a European policy on security of energy supply, the development of infrastructures and relations with transit and producing third countries.
- Policies for the development of renewable energy and research on new technologies are more efficient if coordinated at European level.
- The continental energy market offers much more efficiency and economies of scale.
- Energy infrastructure modernisation is needed to integrate growing renewable energy, increase energy security and develop intelligent networks. EU coordination is needed to fix priorities, facilitate financing and speed implementation.

## ● A few figures to illustrate the new strategy

- With no additional measures, only 9% primary energy consumption reduction by 2020
- Average energy savings for a household can amount up to € 1000 per year
- Renewable energy: 8% of energy mix in 2008 and 62% of newly installed electricity generation capacity in 2009
- Investments in the order of € 1 trillion are needed by 2020 to replace obsolete capacity



## RESULTS OF THE PUBLIC CONSULTATION

### Focus on implementing agreed policies

- Majority supported implementation of agreed policies,
- proposals for new legislative initiatives will not be credible if existing measures have not been fully implemented,
- strong support for: early compliance with the Regulation on security of gas supply, further integration of the internal energy market through full implementation of third package, swift start of ACER, ENTSOs etc...

# ● Integrating the longer time perspective

- Broad support for the integration of our policies in a longer term perspective,
- need to set the Energy 2020 in the context of a vision for the longer term (energy objectives beyond 2020),
- our strategic goals will be achieved progressively, the 2020 strategy should have intermediate milestones and action plans for shorter intervals e.g. 3 years.

# ● **Priority areas for future strategy**

## ***Towards a low-carbon energy system***

- Agreement on need/urgency to decarbonise our energy system
- many views on what longer term targets should be (low or zero carbon ?, 100% RES ?),
- various views on the most efficient way to decarbonise our energy system:
  - » energy efficiency and renewables,
  - » increased penetration of natural gas,
  - » innovation and technology,
  - » fossil fuels with Carbon Capture and Storage,
  - » nuclear,
  - » ETS and energy/CO2 taxes.



- **Priority areas for future strategy**  
***Modern integrated grids***

- Agreement on the need for a new approach in the EU infrastructure energy policy,
- for some respondents, beside electricity & gas, oil and CCS should be included,
- the lack of pan-European interconnections was a frequent concern,
- upcoming “Energy Infrastructure Package” is an opportunity to present strategic analysis and proposals for the future EU energy network.

# ● **Priority areas for future strategy** ***Bringing the benefits of EU energy markets to businesses and citizens***

- Agreement with overall aim to assure reliable availability of affordable and sustainable energy to the citizens,
- support for the Commission initiative to increase transparency of energy market,
- particular emphasis to public awareness,
- need for a social dimension looking at: impact on labour forces, HSE (health safety and environment) and type of labour skills need in future.

## ● **Priority areas for future strategy** ***Strong & coordinated external energy policy***

- Majority supported strengthening EU external energy policy and increasing coordination with Member States, (2009 gas crisis),
- the overall EU energy strategy should include an external energy policy,
- external energy policy should aim not only at securing supply of fossil fuels but also underpinning EU's vision for sustainable development.

# ● **Priority areas for future strategy**

## ***Leadership in technological innovation***

- Implementation of the SET Plan should be the core of EU's low carbon technology policy,
- substantial funding will be needed but divergent views exist on how to ensure such funding,
  - » Either doubling EU funding for energy research,
  - » Or in times of limited public funds, concentrate EU technology funding on leverage for private RD&D spending and redirect part of the cohesion funds towards energy projects,
- in assessing the envisaged low carbon technology portfolio we should avoid "picking the winner" or creating a long shopping list of technologies.



- **The new energy strategy will focus on five priorities**

- **An efficient use of energy that translates into 20% savings by 2020**
- **An integrated market providing competitive prices, choice and security of supply**
- **Secure, safe and affordable energy for citizens**
- **Technological leadership delivering innovative and cost-efficient solutions**
- **Strong international partnership, notably with our neighbours**

## ● Next steps

- Adoption on 10 November 2010 of:
  - Energy strategy
  - Evaluation report
  - Summary report of the public consultation
- Reports & opinions by the EP, the CoR and the ESC
- Energy Council in December
- Informal European Council on energy in February 2011
- Major forthcoming initiatives:
  - **Infrastructure package in November 2010**
  - **Energy Efficiency Action Plan in February 2011**
  - **Communication on external energy policy in June 2011**
  - **Initiative on smart grids**
  - **Roadmap towards a low-carbon energy system by 2050**