European Commission - Press release



Towards Energy Union: The Commission presents sustainable energy security package

Brussels, 16 February 2016

The Commission today presented its energy security package with necessary proposals to equip the EU for global energy transition as well as to be prepared for possible energy supply interruptions.

Energy security dimension is one of the cornerstones of the Energy Union strategy, a key political priority of the Juncker Commission.

Implementing Energy Union: The Commission presents energy security package

The Commission today unveiled a package of energy security measures to equip the EU for global energy transition to address possible energy supply interruptions. Energy security dimension is one of the cornerstones of the Energy Union strategy, a key political priority of the Juncker Commission.

The package sets out a wide range of measures to strengthen the EU's resilience to gas supply disruptions. These measures include moderating energy demand, increasing energy production in Europe (including from renewables), further developing a well-functioning and fully integrated internal energy market, as well as diversification of energy sources, suppliers and routes. Further, the proposals bring more transparency to the European energy market and create more solidarity between the Member States.

Today's energy security package is presented in the light of the new global and universal agreement on climate change, adopted by world leaders on 12 December 2015 in Paris. The Paris agreement sent a strong signal to businesses and policy-makers placing clean energy on an irreversible pathway and setting the scene for a global energy transition.

Vice-President responsible for Energy Union, Maroš Šefčovič said: "The Energy Union Strategy, launched one year ago, promised to provide all Europeans with energy which is secure, sustainable, and competitive. Today's package focuses on the security of our supply, but touches upon all three overarching goals. By reducing our energy demand, and better managing our supply from external sources we are delivering on our promise and enhancing the stability of Europe's energy market."

Commissioner for Climate Action and Energy, Miguel Arias Cañete said: "After the gas crises of 2006 and 2009 that left many millions out in the cold, we said: 'Never again'. But the stress tests of 2014 showed we are still far too vulnerable to major disruption of gas supplies. And the political tensions on our borders are a sharp reminder that this problem is will not just go away. Today's proposals are about a reliable, competitive and flexible system in which energy flows across borders and consumers reap the benefits. They are about standing together to protect the most vulnerable. And they are about securing our clean energy future: I can assure that our commitment to a clean energy transition is irreversible and non-negotiable."

What does the package adopted by the Commission consist of?

Security of Gas Supply Regulation

Gas plays a role in the transition to a low-carbon economy and remains important in the EU energy mix. However the existing external dependence requires the EU to strengthen the resilience of its markets when confronted by gas supply disruptions. To reap full benefits of liquid and competitive market it is necessary to enhance the transparency on EU gas market. To address this fragility of the system, the Commission proposes a shift from national approach to a regional approach when designing security of supply measures. Further, the proposal introduces a solidarity principle among Member States to ensure the supply of households and essential social services, such as healthcare, in case their supply was affected due to a severe crisis.

A decision on Intergovernmental Agreements in energy

The EU needs to ensure that intergovernmental agreements signed by its Member States with third countries and relevant to EU gas security are more transparent and fully comply with EU law. To that end it introduces an *ex-ante* compatibility check by the Commission. This ex-ante assessment makes it

possible to check compliance with competition rules and internal energy market legislation before the agreements are negotiated, signed and sealed. The Member States will have to take full account of the Commission's opinion ahead of signing the agreements.

Liquefied natural gas (LNG) and gas storage strategy

Europe is the biggest importer of natural gas in the world. Europe's overall LNG import capacity is significant – currently it is enough to meet around 43% of total current gas demand (2015). However, significant regional disparities as regards access to LNG remain. The Commission sets a liquefied natural gas (LNG) strategy that will improve access of all Member States to LNG as an alternative source of gas. The central elements of this strategy are building the strategic infrastructure to complete the internal energy market and identifying the necessary projects to end single-source dependency of some of the Member States.

Heating and Cooling strategy

The heating and cooling of buildings and industry consumes half of the EU's energy. Further, it is 75% powered by fossil fuels. The proposed Heating and Cooling strategy focuses on removing barriers to decarbonisation in buildings and industry. It also stresses that increased energy efficiency and use of renewables will have an impact on energy security. Looking into this sector more strategically is crucial as the EU wants to improve its interdependence from external suppliers.

Background

One of the priorities of the Juncker Commission is the creation of a resilient European Energy Union with a forward looking climate change policy. The goal of the European Energy Union, as set out in the Framework Strategy[1] of last February, is to give EU consumers – households and businesses – secure, sustainable, competitive and affordable energy. This will require a fundamental transition of our energy landscape. It provides an opportunity for further innovation in the sector, thereby contributing to creating jobs and growth in the EU and protecting our environment. The Commission makes a strong call to the European Parliament and the Council to turn today's proposals into legislation very quickly as a matter of priority to increase Europe's resilience to potential energy disruptions.

Security of supply is one of the five interlinked and mutually dependant dimensions of the Energy Union. Key drivers of energy security are the completion of the internal market and more efficient energy consumption, but the EU's energy security is also closely linked with the energy policy choices of its neighbours.

For more information:

Fact sheet: Security of gas supply regulation

Fact sheet: Intergovernmental agreements in energy

<u>Fact sheet</u>: Liquefied Natural Gas and gas storage will boost EU's energy security <u>Fact sheet</u>: Towards a smart, efficient and sustainable heating and cooling sector

Energy Union Strategy website

State of the Energy Union 2015 report

Website DG Energy: https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-gas-and-heating-and-cooling-strategy

A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy, COM(2015)80.

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