

The Energy Union: Speeding up Positive Energy for Europe?

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The Greens | European Free Alliance
in the European Parliament

1998-2014: Achievements and Failures

Development of an internal gas and electricity market



But prices are still not reflecting all costs and harmful subsidies continue

10% interconnection target, labelling PCIs, establishing instruments such as TEN, CEF, Recovery Plan



But beyond BEMIP and the FR/ES case there are still too many energy islands

CO2 cap-and-trade mechanism established and CO2 emissions reduced



But the market signal is absent because of over-allocation and international credits

Gas supply crisis triggered a reflection on diversification and LNG alternatives



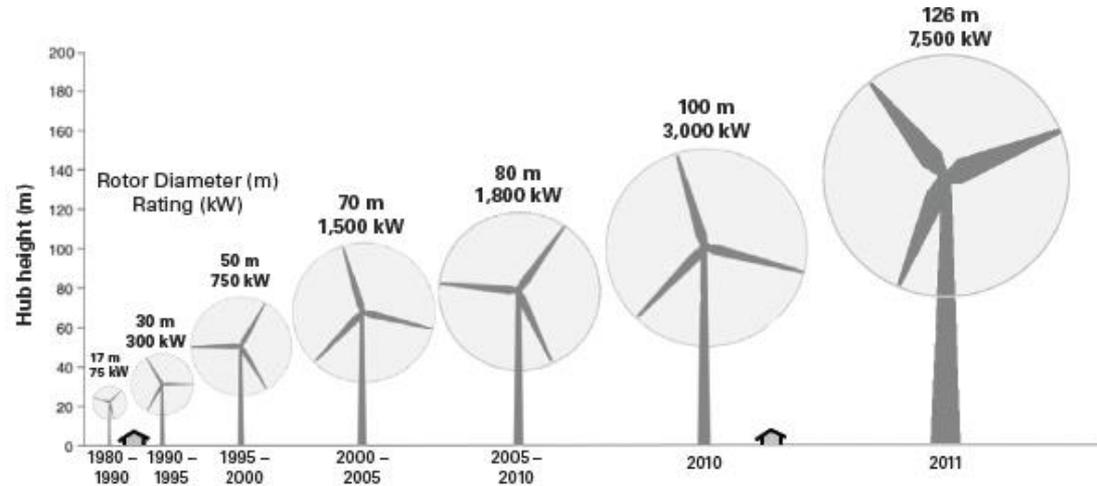
But we remain more than ever dependent on Russia

1998-2014: Achievements and Failures

On renewables:

-Technology
development

(source: theenergycollective.com)



-Impressive cost
reduction

(source: Agora Energiewende)

Feed-in tariff for new large-scale solar photovoltaic in Germany

Figure E3



1998-2014: Achievements and Failures

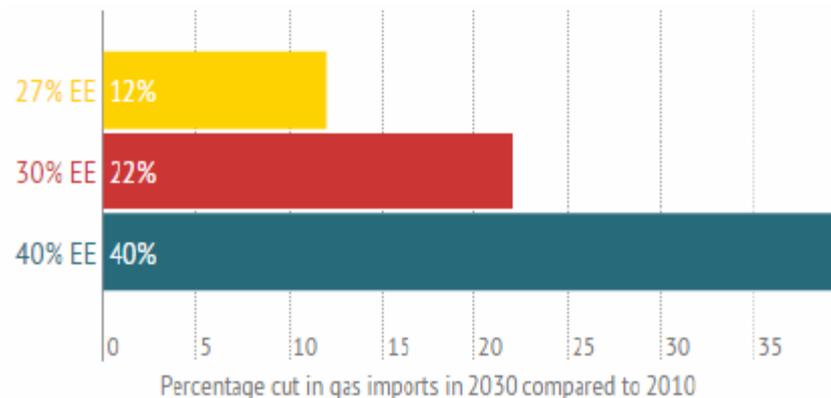
On efficiency:

- Falling oil prices thanks to the CO₂/cars regulations

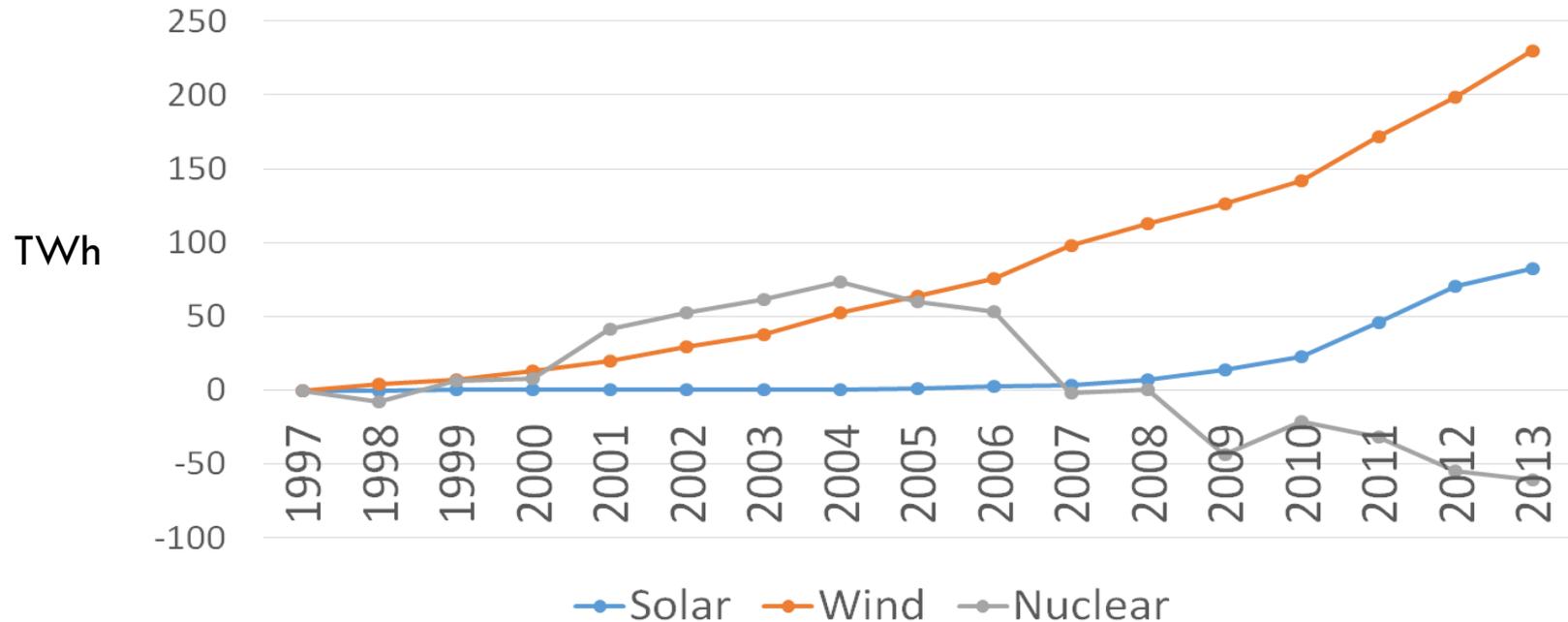
-Moderation of electricity demand thanks to the energy efficiency directive, the energy performance of buildings directive

-Savings to be achieved thanks to eco-design and energy labelling instruments amount to the annual consumption of Italy by 2020!

-Why don't we go further for 2030? A 40% savings target would allow the EU to cut gas imports by 40%



1998-2014: Achievements and Failures



*Post-Kyoto comparative evolution of Solar, Wind and Nuclear
(source: BP Statistical Review 2014)*

Where do we go now?

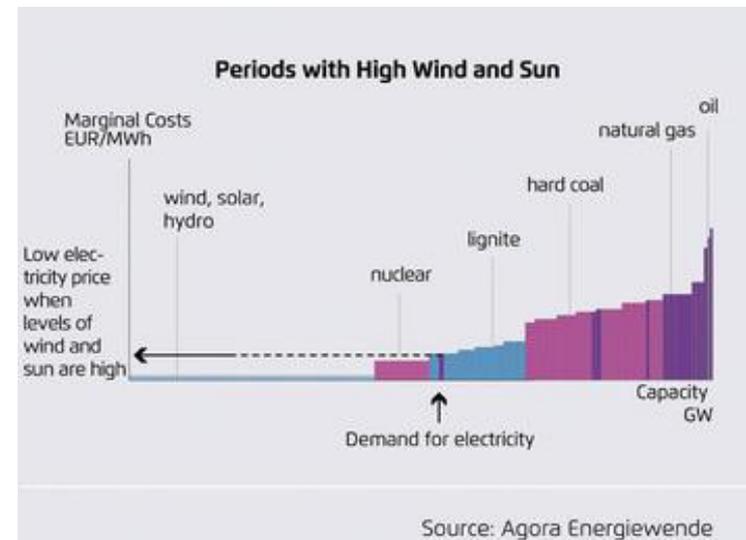
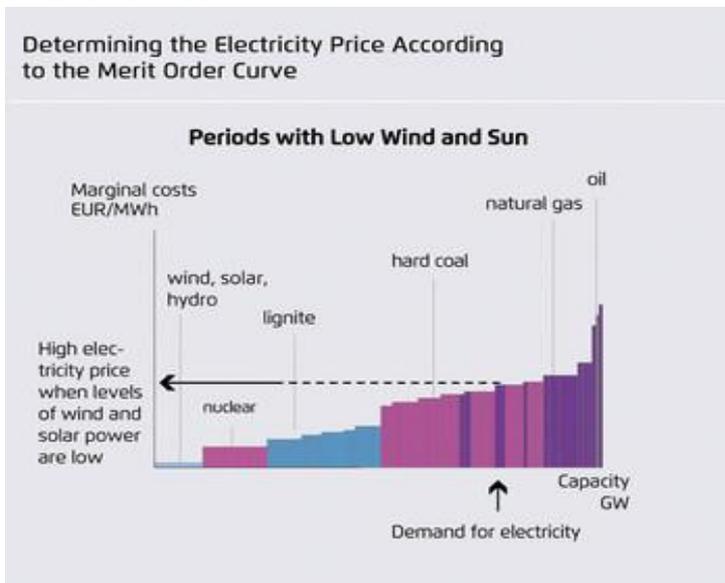
No energy union without cities and citizens!

- *From consumers to prosumers: citizens must master their production and consumption*
- *Retail: Encouraging consumption of self-generated energy, developing demand-side response mechanisms*
- *For a Just Transition: involving trade unions, up-skilling workers, developing education and training at school*
- *Cities and local governments are at the heart of the energy transition: Covenant of Mayors, Energy Cities...*

Where do we go now?

No energy union without a reformed power market!

- Need to dismantle unlawful State aids and environmentally harmful public subsidies
- Need to reform ETS to internalise CO2 costs in the electricity price: „under the current system the ETS will only be short by 2028“, Pavel Rezabek, Chief Economist of CEZ
- Need to set-up a new market design as current design doesn't allow RES generation to remunerate itself



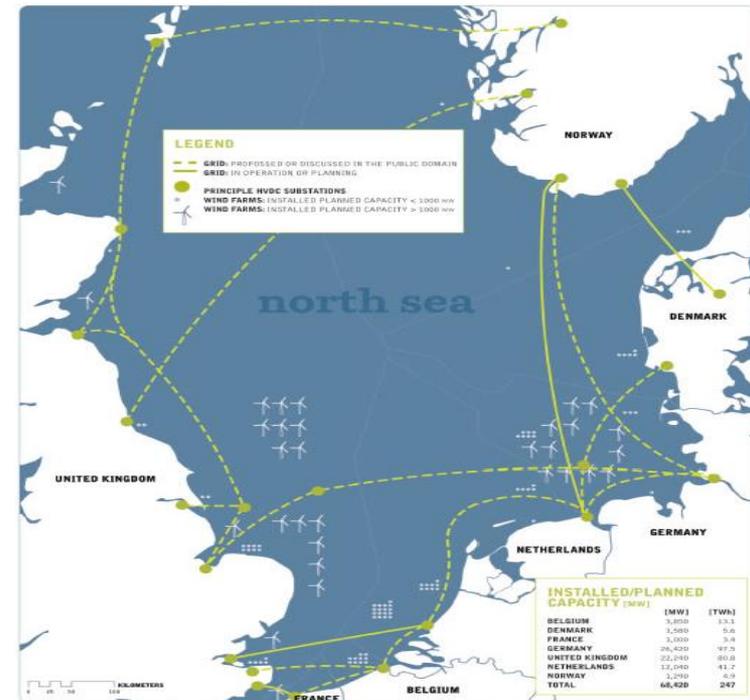
Where do we go now?

No energy union without macro-regional markets!

-Regional cooperation as a way to overcome the dilemma of market integration vs. national energy mix

-Macro-regions for cost-optimisation and system adequacy, building trust between neighbouring countries

- Encouraging joint spational planing, joint support, schemes, joint projects



Where do we go now?

No energy union without proper investments – Money matters!

- *Investments in renewables need stable regulatory frameworks (no more retroactive change) and ambitious binding 2030 targets*
- *Investments in efficiency need a mix of grants and loans, technical assistance to bundle small projects into bankable ones: proposal to establish a 50 bn€ dedicated fund for energy efficiency under EFSI*
- *Repair ETS for a real market signal for clean investment; and use structural funds for efficiency and renewables (38 bn€ 2014-2020)*

Where do we go now?

No energy union without national Parliaments!

- In the year of Paris COP 21, we need to create a transnational debate to strengthen democracy and transparency*
- Say stop to obscure behind the scene deals under the unanimity threat and support a co-decision process fully involving the EP*
- EUFORES IPM Vienna is the start, national Parliaments should get more involved in the definition of the EU energy policy*

Thank you for your attention!

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