



## Energy Union: secure, sustainable, competitive, affordable energy for every European

Brussels, 25 February 2015

Energy is used to heat and to cool buildings and homes, transport goods, and power the economy. But with ageing infrastructure, poorly integrated markets, and uncoordinated policies, our consumers, households and businesses do not benefit from increased choice or from lower energy prices. It is time to complete the single energy market in Europe. Delivering on this top priority set out in President Juncker's political guidelines, today the European Commission sets out its strategy to achieve a resilient Energy Union with a forward-looking climate change policy.

The Energy Union means in particular:

- **Solidarity clause:** reducing the dependence on single suppliers and fully relying on their neighbours, especially when confronted with energy supply disruptions. With more transparency when EU countries make deals to buy energy or gas from countries outside the EU;
- **Energy flows, as if it were a Fifth freedom:** that of free flow of energy across borders - strictly enforcing the current rules in areas such as energy unbundling and the independence of regulators – taking legal action if needed. Redesigning the electricity market, to be more interconnected, more renewable, and more responsive. Seriously overhauling state interventions in the internal market, and phasing out environmentally harmful subsidies.
- **Energy efficiency first:** fundamentally rethinking energy efficiency and treating it as an energy source in its own right so that it can compete on equal terms with generation capacity;
- **Transition to a low-carbon society that is built to last:** ensuring that locally produced energy – including from renewables – can be absorbed easily and efficiently into the grid; promoting EU technological leadership, through developing the next generation of renewables technology and becoming a leader in electromobility, while European companies expand exports and compete globally.

In an Energy Union, citizens are at the core. The prices they pay should be affordable and competitive. Energy should be secure and sustainable, with more competition and choice for every consumer.

These and other commitments sit alongside an action plan to meet these ambitious goals in our energy and climate policy.

Jean-Claude Juncker, Commission President, said *"For too long, energy has been exempt from the fundamental freedoms of our Union. Current events show the stakes – as many Europeans fear they may not have the energy needed to heat their homes. This is about Europe acting together, for the long term. I want the energy that underpins our economy to be resilient, reliable, secure and growingly renewable and sustainable."*

Maroš Šefčovič, the Vice-President responsible for the Energy Union said: *"Today, we launch the most ambitious European energy project since the Coal and Steel Community. A project that will integrate our 28 European energy markets into one Energy Union, make Europe less energy dependent and give the predictability that investors so badly need to create jobs and growth. Today, we set in motion a fundamental transition towards a low-carbon and climate-friendly economy, towards an Energy Union that puts citizens first, by offering them more affordable, secure, and sustainable energy. Together with all other Commissioners who have worked closely on the project team, and with the support of the entire Commission, I am determined to now turn this Energy Union into reality."*

Miguel Arias Cañete, Commissioner for Climate Action and Energy said: *"Let's get down to work. Today we have set the course for a connected, integrated and secure energy market in Europe. Now, let's make it happen. Our path to real energy security and climate protection begins here at home. That's why I will focus on building our common energy market, saving more energy, expanding renewables, and diversifying our energy supply. After decades of delay, we will not miss another opportunity to build an energy union. The Juncker Commission gets the big things right."*

### Key figures

- The EU is the largest energy importer in the world, importing 53% of its energy, at an annual cost

of around €400 billion.

- 12 EU Member States<sup>[1]</sup> do not meet the EU's minimum interconnection target – that at least 10% of installed electricity production capacity be able to "cross borders". The EU has listed 137 electricity projects, including 35 on electricity interconnection: between them, these projects could bring that figure from 12 down to 2 Member States.
- An appropriately interconnected European energy grid could save consumers up to €40 billion a year.
- 6 EU Member States<sup>[2]</sup> are dependent on one single external supplier for all their gas imports.
- 75% of our housing stock is energy inefficient; 94% percent of transport relies on oil products, of which 90% is imported.
- Over €1 trillion needs to be invested into the EU energy sector by 2020 alone.
- Wholesale electricity prices in Europe are 30% higher, and wholesale gas prices over 100% higher, than in the US.
- European renewable energy businesses have a combined annual turnover of €129 billion, employing over a million people. The challenge is to retain Europe's leading role in global investment in renewable energy.
- EU greenhouse gas emissions fell 18% in the period 1990-2011.
- By 2030, the EU aims to cut greenhouse gas emissions by at least 40%, boost renewable energy by at least 27%, and improve energy efficiency by at least 27%.

### **What has been adopted today**

- A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy. This sets out, in five interrelated policy dimensions, the goals of an energy union – and the detailed steps the Juncker Commission will take to achieve it, including new legislation to redesign and overhaul the electricity market, ensuring more transparency in gas contracts, substantially developing regional cooperation as an important step towards an integrated market, with a stronger regulated framework, new legislation to ensure the supply for electricity and gas, increased EU funding for energy efficiency or a new renewables energy package, focusing European R&I energy strategy, reporting annually on the 'State of the Energy Union', just to name a few.
- An Interconnection Communication, setting out the measures needed to achieve the target of 10% electricity interconnection by 2020, which is the minimum necessary for the electricity to flow and be traded between Member States. It shows which Member States currently meet the target - and which projects are necessary to close the gap by 2020.
- A Communication setting out a vision for a global climate agreement in Paris in December. The vision is for a transparent, dynamic and legally binding global agreement with fair and ambitious commitments from all parties. The Communication also translates the decisions taken at the European Summit in October 2014 into the EU's proposed emissions reduction target (the so-called Intended Nationally Determined Contribution, or INDC) for the new agreement.

### **More information about Energy Union:**

#### [Website](#)

Fact Sheet: [Energy Union](#)

Fact Sheet: [Connecting power markets to deliver security of supply, market integration and the large-scale uptake of renewables](#)

Fact Sheet: [Questions and Answers on the European Commission Communication: The Paris Protocol – A blueprint for tackling global climate change beyond 2020](#)

#### [Twitter](#)

<sup>[1]</sup> Cyprus, Estonia, Ireland, Italy, Lithuania, Latvia, Malta, Poland, Portugal, Romania, Spain, United Kingdom

<sup>[2]</sup> Bulgaria, Estonia, Finland, Latvia, Lithuania, Slovakia

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