The new Energy Policy

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Directorate General for Energy and Transport
The 3 challenges

- **Competitiveness**
  - Internal Market
  - Interconnections (TEN-E)
  - European electricity and gas grid
  - Research and innovation
    - Clean coal
    - Carbon sequestration
    - Alternative fuels
    - Energy efficiency
    - Nuclear

- **Sustainable Development**
  - Renewable energy
  - Energy efficiency
  - Nuclear
  - Research and innovation
  - Emission trading

- **Security of supply**
  - International Dialogue
  - European stock management (oil)
  - Refining capacity and energy storage
  - Diversification of sources and routes
  - Indigenous resources

FULLY BALANCED INTEGRATED AND MUTUALLY REINFORCED
Path to the 2nd Strategic Energy Review

- January 2007, 1st Strategic Energy Review with a political commitment on climate and energy markets and the “20-20-20” objectives
- March 2007, the European Council endorsed the 1st Strategic Energy Review
- September 2007, Commission adopted the “Third Internal Energy Market Package”
- January 2008, adoption of the “Energy and Climate Change Package”
- November 2008, adoption of the 2nd Strategic Energy Review
2nd Strategic Energy Review

Energy Security and Solidarity Action Plan

- Energy Efficiency
- Indigenous energy resources
- External Relations
- Oil stocks & gas crisis mechanisms
- Infrastructure

sustainable development  competitiveness  security of supply
Energy Efficiency

- Energy efficiency contributes to our energy strategic objectives (20% by 2020)
- 2008 Energy Efficiency package focused on:
  - Energy performance of buildings (40% of energy use)
  - Revision energy labelling/ car tyres,
  - Strengthening of the Ecodesign Directives,
  - Promotion of cogeneration,
  - Dissemination of best practices (Covenant of Mayors)
- The 2006 Energy Efficiency Action Plan evaluated in 2009,
- International Partnership on Energy Efficiency Cooperation
- Sustainable Energy Financing Initiative, jointly with EIB
External Relations

- **External** and **internal** actions aiming at our energy security are mutually supportive,
- Mechanisms to ensure transparency and coherence and to convey a common message,
- **Energy interdependence** provisions to be developed in our agreements with main producers,
- Deepen existing energy cooperation frameworks: EEA (Norway), Energy Community, GCC, Russia, OPEC, etc..
- Cooperation with major energy consumers
Oil stocks & Gas crisis mechanisms

- Revision of EU emergency oil stocks legislation
- The revision of the oil stocks legislation proposes a weekly publication of aggregated commercial oil stocks
- New instrument on security of gas supply with a view to revising the Directive on Security of Gas Supply by 2010
Indigenous energy resources

- Domestic oil and gas decline
  - EU self-sufficiency from 46% to 36% by 2020

- Favour domestic production by:
  - 20% objective for **renewables**, the EU's greatest potential source of indigenous energy,
  - Further to the **Strategic Energy Technology Plan a Communication on Financing Low Carbon Technologies, including CCS** to be adopted in 2009,
  - Encourage cost-effective and sustainable **exploitation of EU fossil fuels reserves**, 
  - Update of the “Nuclear Illustrative Programme”
Infrastructure - Energy security priorities

LNG Action Plan

Baltic inter-connection Plan

Offshore wind

Central and Eastern Europe

Southern Corridor for oil and gas

Mediterranean
Strengthening the regional approach

Baltic Inter-connection Plan

&

Offshore wind network
Strengthening the regional approach

Mediterranean energy ring
Strengthening the regional approach

North-South connections in Central and Eastern Europe

CEPS, Brussels, 31st March 2009
Strengthening the regional approach

Southern Corridor
Strengthening the regional approach

A Strategy for LNG

CEPS, Brussels, 31st March 2009
Infrastructure – Green Paper

- To enhance EU network policy
  - To enable of 20-20-20 strategy
  - Towards a single European grid and gas network
  - Incentives to deliver necessary investments (e.g. for interconnections) and to integrate Renewable Energy Sources (RES) and energy efficiency
  - Solidarity
  - Diversity of routes and sources
  - Internal and external aspects
Infrastructure – Green Paper

- Future of the Trans-European-Networks for Energy (TEN-E)
  - Need to revise the Guidelines
  - Option to extend scope to oil and other types of pipelines
  - Coherence with other EU support to energy networks and internal market bodies (ENTSO’s)
  - Option to transform TEN-E into an instrument for energy security of supply and solidarity
Infrastructure – Green Paper

- Political debate
  - Discussion in Energy Council (Member States)
  - European Parliament, European Economic and Social Committee of the Regions prepare opinion
  - Commission prepares future proposals for the TEN-E and follow-up

- Public debate
  - Public consultations on the Green Paper until 31 March 2009
  - List of questions in the Green Paper
  - Submissions possible via internet or mail
European Economic Recovery Plan (1)

- As a response to the financial crisis and to reinforce the EU’s energy supply
  - Proposed by the Commission in November 2008
  - Endorsed by European Council in December 2008 and approved in March 2009
  - Subject to European Parliament approval

- Financial envelope of €4 billion
  - €2,365 million: gas and electricity infrastructure projects
  - €565 million: offshore wind energy projects
  - €1,050 million: Carbon Capture and Storage projects
## European Economic Recovery Plan (2)

### List of gas interconnectors (1)

<table>
<thead>
<tr>
<th>Project</th>
<th>Countries concerned</th>
<th>Amount M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nabucco</td>
<td>Austria, Hungary, Bulgaria, Germany, Romania</td>
<td>200</td>
</tr>
<tr>
<td>ITGI-Poseidon</td>
<td>Italy, Greece</td>
<td>100</td>
</tr>
<tr>
<td>Skanled</td>
<td>Poland, Denmark, Sweden</td>
<td>150</td>
</tr>
<tr>
<td>LNG terminal</td>
<td>Port of Świnoujście, Poland</td>
<td>80</td>
</tr>
<tr>
<td>Slovakia-Hungary</td>
<td>Velky Krtis - Balassaqqarnat</td>
<td>30</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Austrian Border to Ljubljana</td>
<td>40</td>
</tr>
<tr>
<td>Bulgaria-Greece</td>
<td>Hoskovo-Komotini</td>
<td>45</td>
</tr>
<tr>
<td>Romania-Hungary</td>
<td>Romania, Hungary</td>
<td>30</td>
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<tr>
<td>Gas Storage</td>
<td>Czech Republic</td>
<td>35</td>
</tr>
<tr>
<td>Slovakia-Poland</td>
<td>Slovakia, Poland</td>
<td>20</td>
</tr>
<tr>
<td>Hungary-Croatia</td>
<td>Hungary</td>
<td>20</td>
</tr>
<tr>
<td>Bulgaria-Romania</td>
<td>Bulgaria, Romania</td>
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</table>
European Economic Recovery Plan (3)

- List of gas interconnectors (2)

<table>
<thead>
<tr>
<th>Project</th>
<th>Countries concerned</th>
<th>Amount M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa-Spain-France axis</td>
<td>France</td>
<td>200</td>
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<tr>
<td>Galsi</td>
<td>Italie</td>
<td>120</td>
</tr>
<tr>
<td>Western Axis Larrau Branch</td>
<td>Spain</td>
<td>45</td>
</tr>
<tr>
<td>Germany-Belgium-UK</td>
<td>Belgium</td>
<td>35</td>
</tr>
<tr>
<td>France-Belgium</td>
<td>France, Belgium</td>
<td>200</td>
</tr>
<tr>
<td>Infrastructure and equipment to permit reverse flow in the event of short term disruption</td>
<td>Austria, Bulgaria, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia</td>
<td>80</td>
</tr>
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## European Economic Recovery Plan (4)

### List of electricity interconnectors

<table>
<thead>
<tr>
<th>Project</th>
<th>Countries concerned</th>
<th>Amount M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>EstLink-2</td>
<td>Estonia, Finland</td>
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<tr>
<td>Sweden-Baltic States</td>
<td>Sweden, Latvia, Lithuania</td>
<td>175</td>
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<tr>
<td>Halle/Saale – Schweinfurt</td>
<td>Germany</td>
<td>100</td>
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<tr>
<td>Wien-Györ</td>
<td>Austria</td>
<td>20</td>
</tr>
<tr>
<td>Portugal-Spain</td>
<td>Portugal</td>
<td>50</td>
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<tr>
<td>Baixas-Santa Logaia</td>
<td>France, Spain</td>
<td>225</td>
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<tr>
<td>Sorgente-Rizziconi</td>
<td>Italy</td>
<td>110</td>
</tr>
<tr>
<td>Republic of Ireland-Wales</td>
<td>Ireland, United Kingdom</td>
<td>110</td>
</tr>
<tr>
<td>Malta-Italy</td>
<td>Malta, Italy</td>
<td>20</td>
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<tr>
<td>Small Isolated Island</td>
<td>Cyprus, Malta</td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>
European Economic Recovery Plan (5)

- Implementation
  » Ad-hoc regulation to be adopted by Council and European Parliament
  » Award criteria (of which)
    • Maturity: defined as reaching the investment stage, incurring substantial capital expenditure by the end of 2010
    • Lack of access to finance

"investment stage" means the phase of a project during which construction takes place and capital costs are incurred (orders)

- Funding conditions
  • Maximum 50% of the eligible costs
  • Grants or other type of support
European Economic Recovery Plan (6)

Planning

» Call for proposals to be launched in May 2009
» Selection of reverse flow projects and setting amount of aid for each projects in Sept. 2009
» Commission selection Decision in Nov. 2009
» Financial commitments by December 2009
» First payments in January 2010