



# The new Energy Policy

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# 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

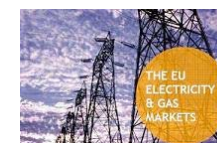
## Security of supply

- 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 2<sup>nd</sup> Strategic Energy Review

- January 2007, *1<sup>st</sup> 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 *1<sup>st</sup> 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 *2<sup>nd</sup> Strategic Energy Review*



# 2<sup>nd</sup> Strategic Energy Review



# 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

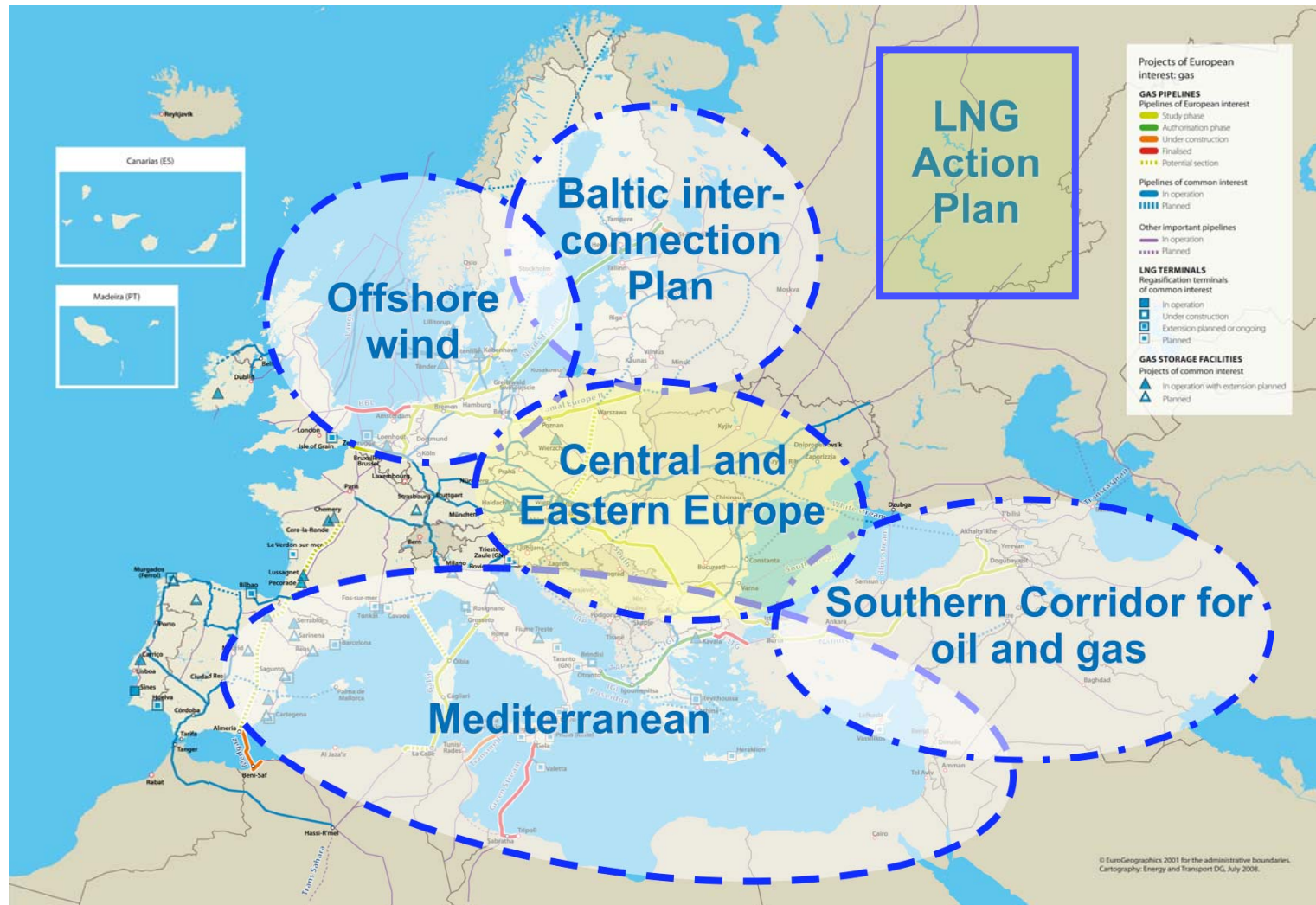
- Revision of EU **emergency oil stocks** legislation
- The revision of the oil stocks legislation proposes a **weekly publication of aggregated commercial oil stocks**
- New instrument on security of gas supply with a view to revising the **Directive on Security of Gas Supply by 2010**

# 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”



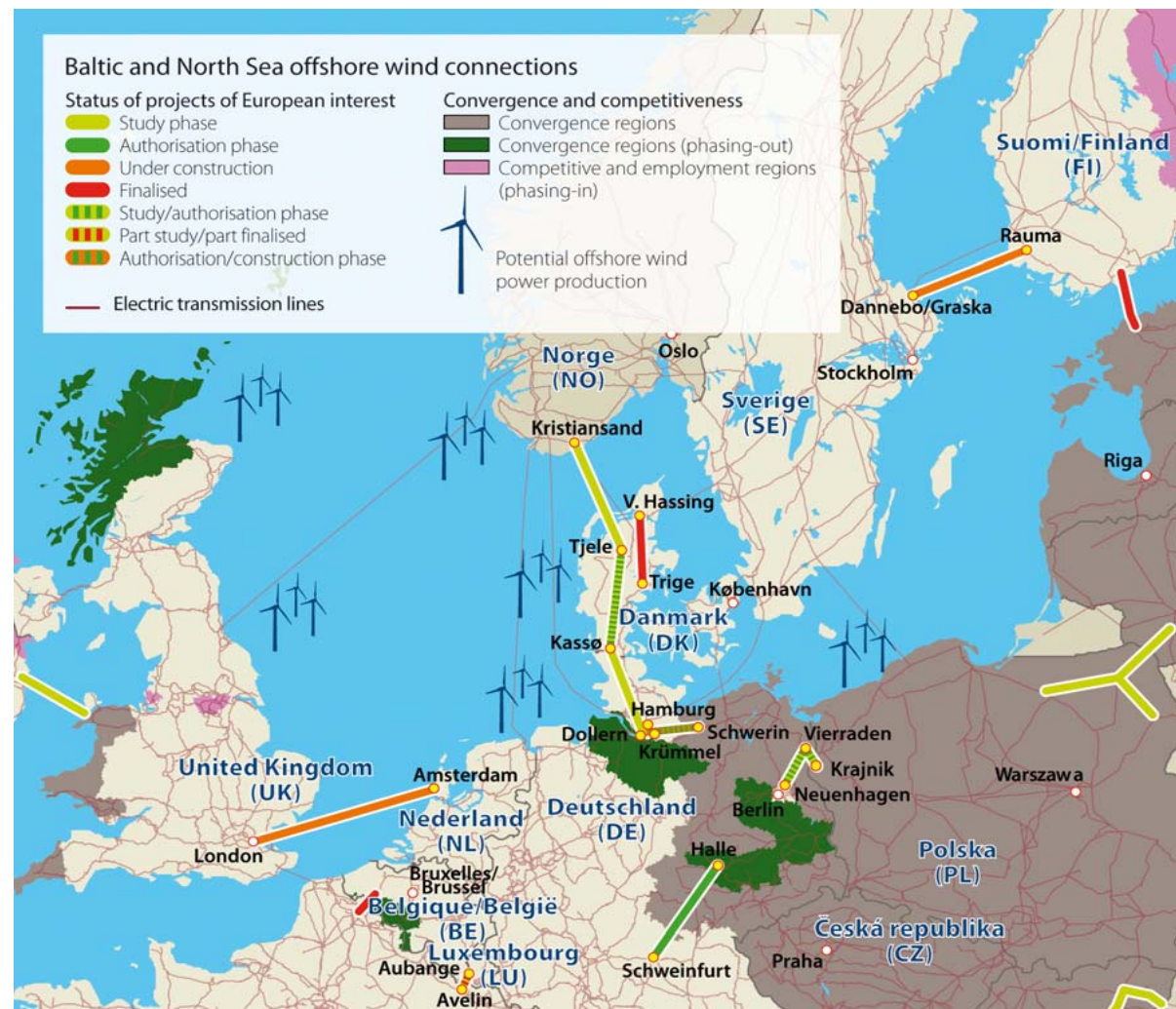
# Infrastructure - Energy security priorities



# Strengthening the regional approach

## Baltic Inter-connection Plan & Offshore wind network

Directorate-General  
for Energy  
and Transport



CEPS, Brussels, 31<sup>st</sup> March 2009



# Strengthening the regional approach

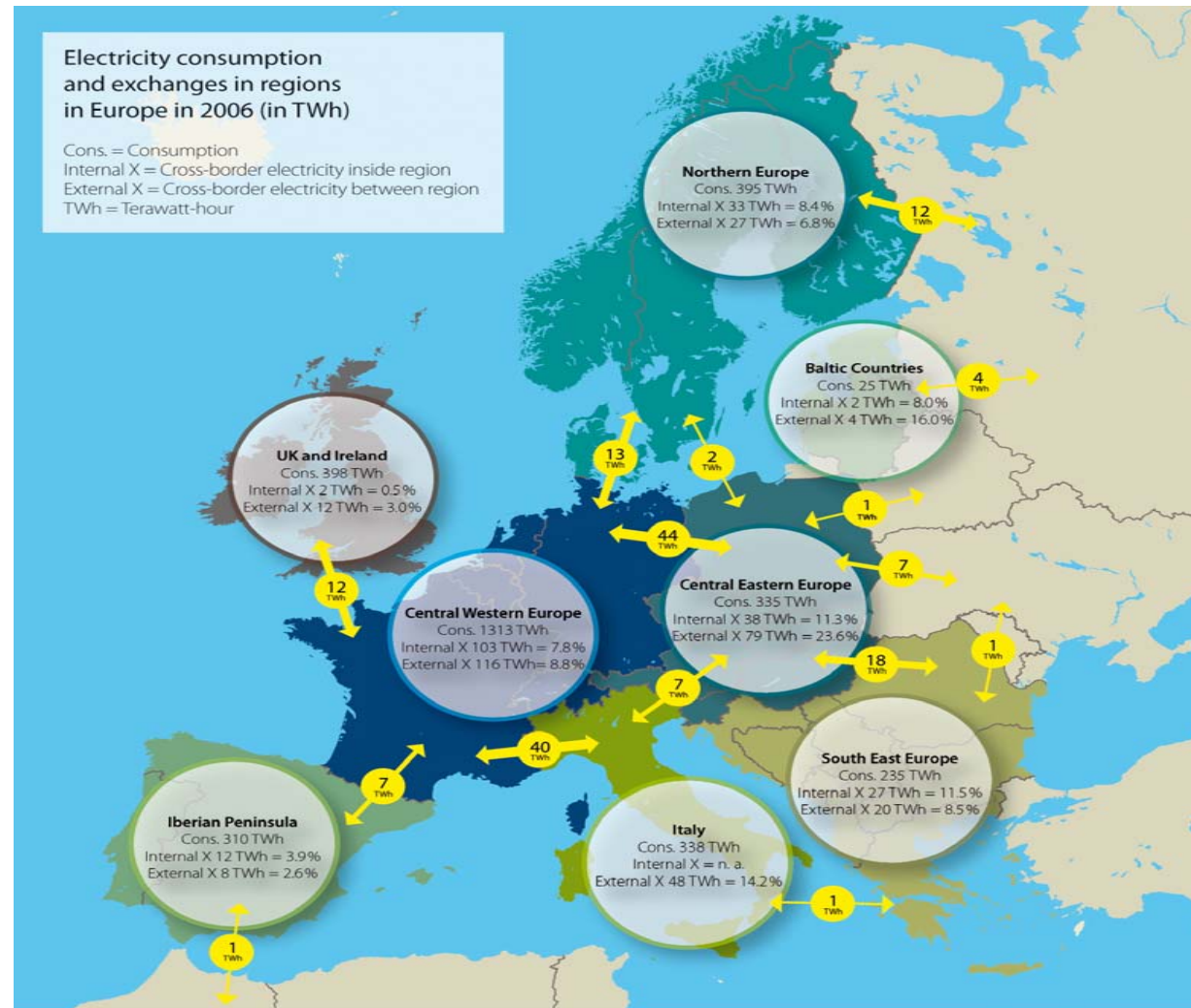
## Mediterranean energy ring



# Strengthening the regional approach

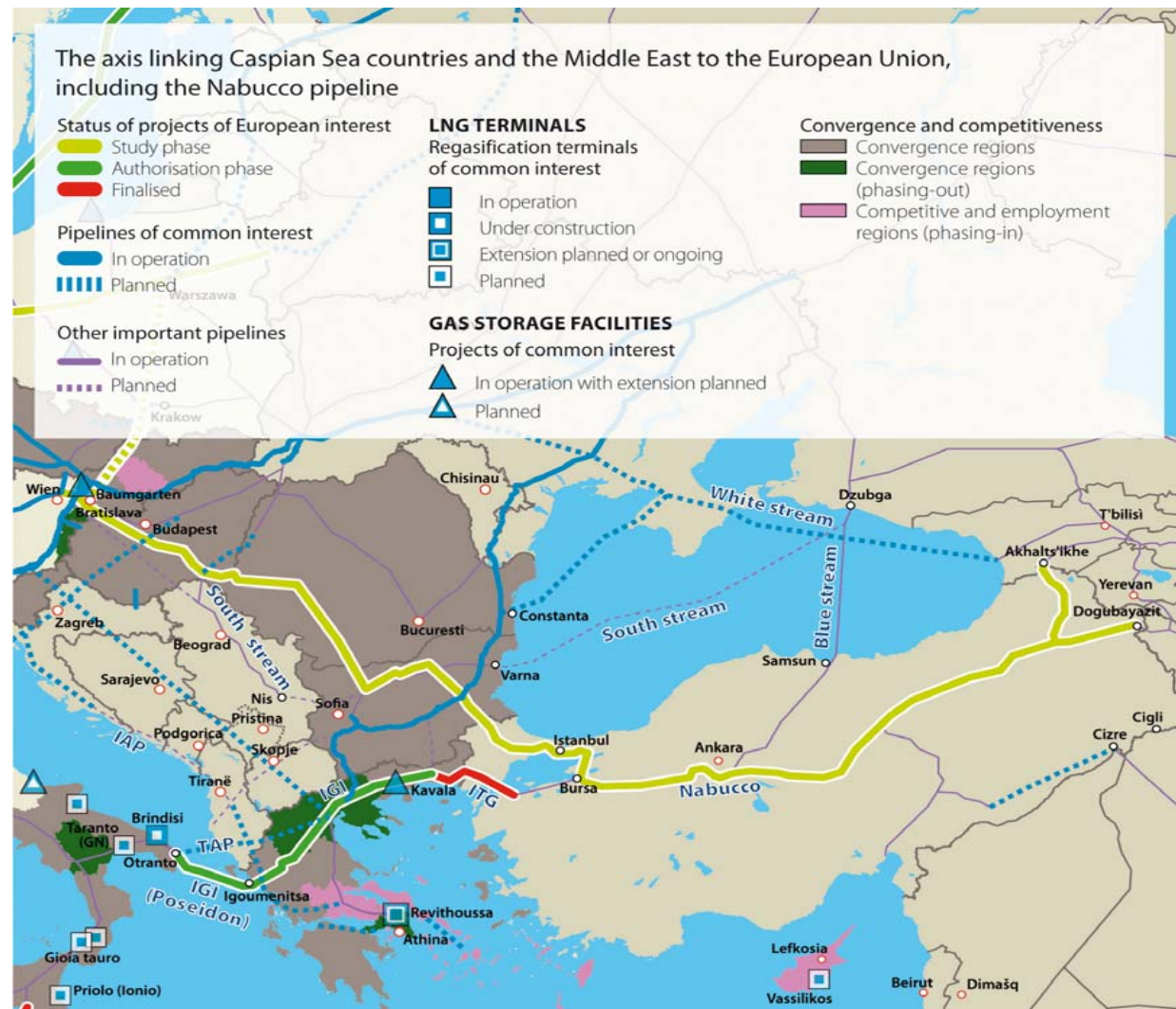
## North-South connections in Central and Eastern Europe

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# Strengthening the regional approach

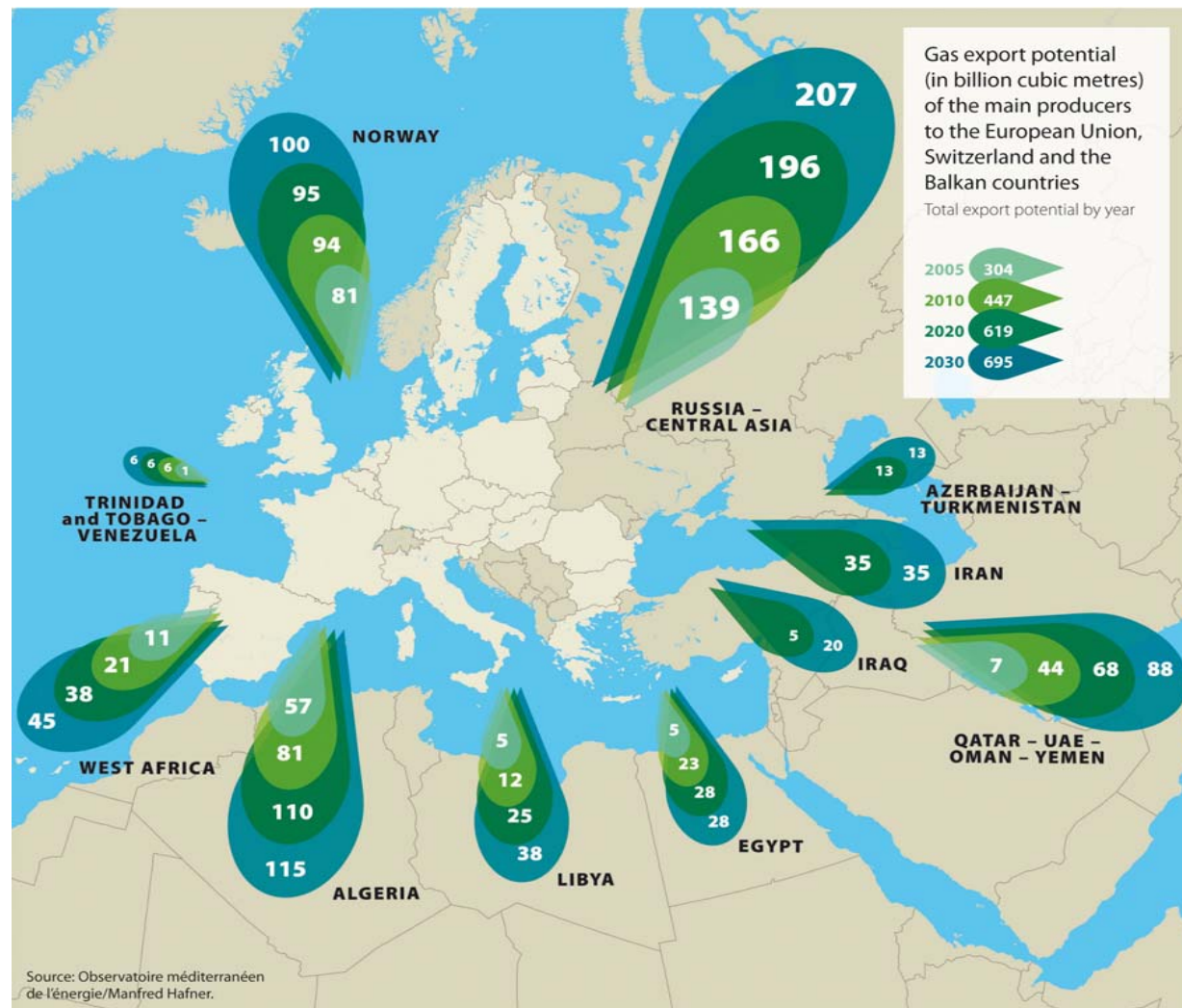
## Southern Corridor





# Strengthening the regional approach

## A Strategy for LNG



# 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)

Project	Countries concerned	Amount M€
Nabucco	Austria, Hungary, Bulgaria, Germany, Romania	200
ITGI-Poseidon	Italy, Greece	100
Skanded	Poland, Denmark, Sweden	150
LNG terminal	Port of Świnoujście, Poland	80
Slovakia-Hungary	Velky Krtis - Balassagyarnat	30
Slovenia	Austrian Border to Ljubljana	40
Bulgaria-Greece	Hoskovo-Komotini	45
Romania-Hungary	Romania, Hungary	30
Gas Storage	Czech Republic	35
Slovakia-Poland	Slovakia, Poland	20
Hungary-Croatia	Hungary	20
Bulgaria-Romania	Bulgaria, Romania	10

# European Economic Recovery Plan (3)

- List of gas interconnectors (2)

Project	Countries concerned	Amount M€
Africa-Spain-France axis	France	200
Galsi	Italie	120
Western Axis Larrau Branch	Spain	45
Germany-Belgium-UK	Belgium	35
France-Belgium	France, Belgium	200
Infrastructure and equipment to permit reverse flow in the event of short term disruption	Austria, Bulgaria, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia	80

# European Economic Recovery Plan (4)

- List of electricity interconnectors

Project	Countries concerned	Amount M€
EstLink-2	Estonia, Finland	100
Sweden-Baltic States	Sweden, Latvia, Lithuania	175
Halle/Saale – Schweinfurt	Germany	100
Wien-Győr	Austria	20
Portugal-Spain	Portugal	50
Baixas-Santa Logaia	France, Spain	225
Sorgente-Rizziconi	Italy	110
Republic of Ireland-Wales	Ireland, United Kingdom	110
Malta-Italy	Malta, Italy	20
Small Isolated Island	Cyprus Malta	10 5

# 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