



Energy Policy in the European Union

Verena Gartner

The Austrian Federal Economic Chamber

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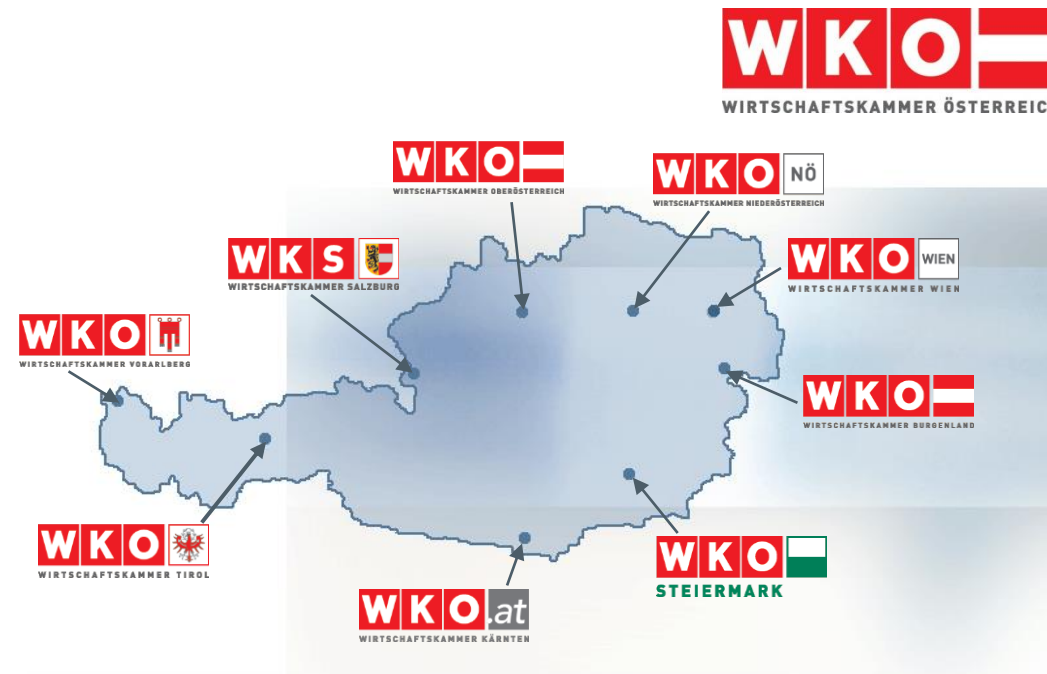
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The Austrian Federal Economic Chamber (WKÖ)

The Austrian Federal Economic Chamber

The Chambers of Commerce represent the interests of Austrian businessmen and women - **9 Chambers of Commerce** und the **Austrian Federal Economic Chamber**



Regional Structure

- WKÖ
115 Advantage Austria
offices abroad
- 9 provincial chambers

The Austrian Federal Economic Chamber

Duties

- To represent the interests of their members
- To remain independent thereby strengthening their position in negotiations with the state and representatives of unions and management
- To participate in the law making process in respect of both federal and provincial laws and regulations
- Goal: to provide the best possible framework conditions for the conduct of business

‘Think European‘

The Austrian Federal Economic Chamber

...on European level

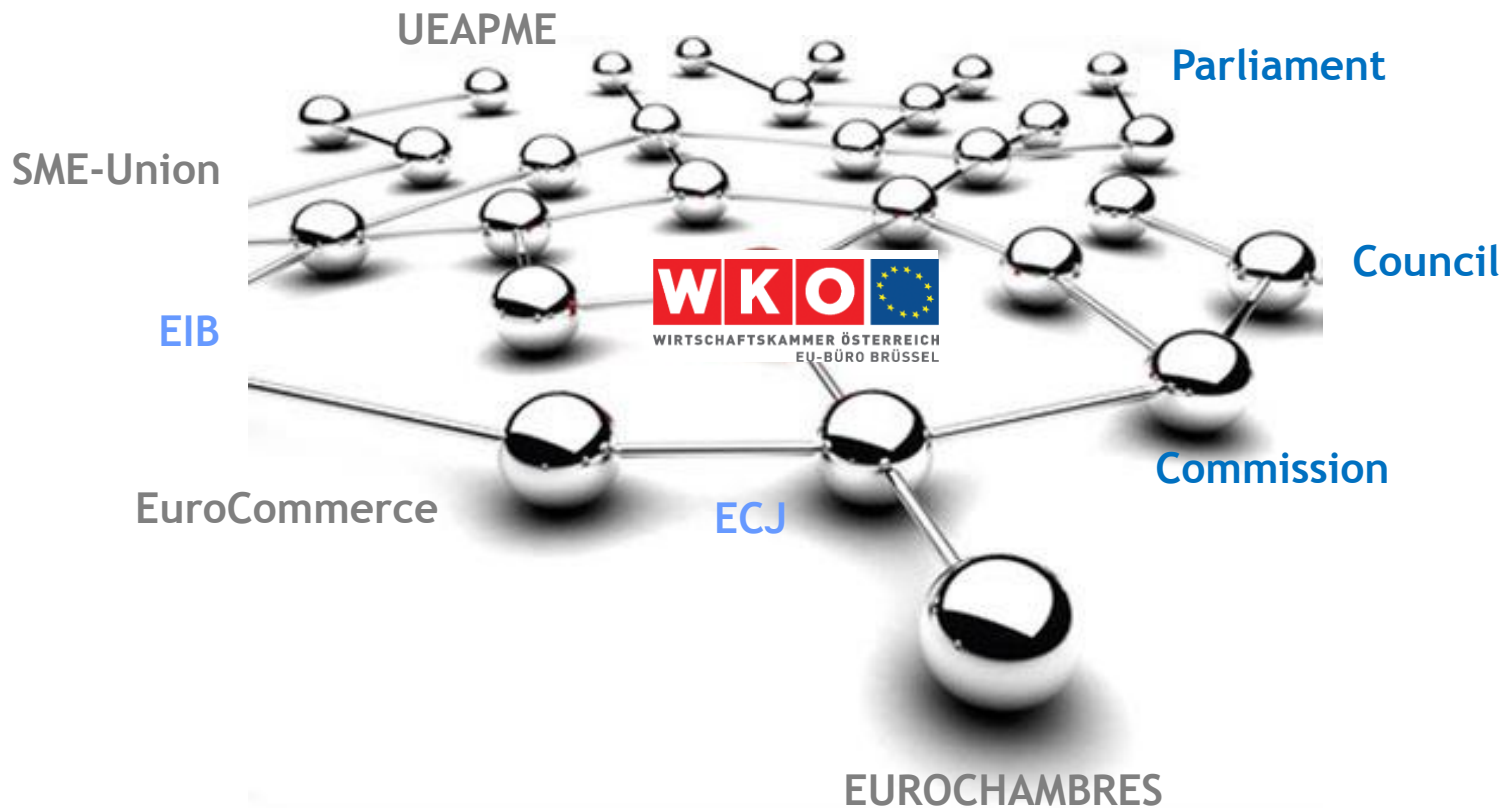
- The EU Office of the Austrian Federal Economic Chamber develops useful contacts
 - with the relevant departments at the Commission
 - with the European trade associations (e. g. EUROCHAMBRES, Eurocommerce, UEAPME, UNICE)
 - and members of the European parliament

- Responsibilities
 - Involvement in the legislative process
 - Observation of the internal market
 - Legal advice
 - Promotional programmes



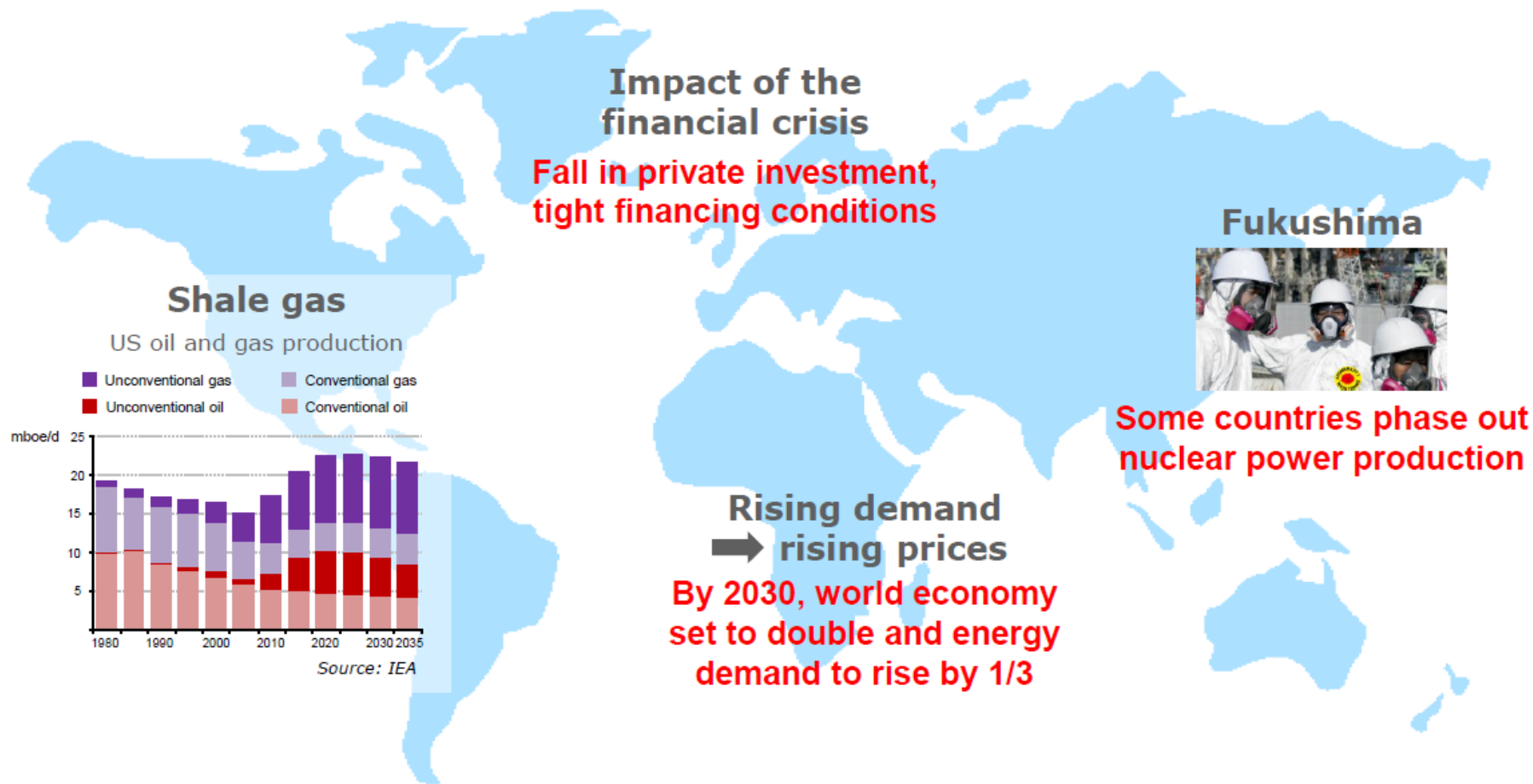
The Austrian Federal Economic Chamber

WKÖ Network in Brussels



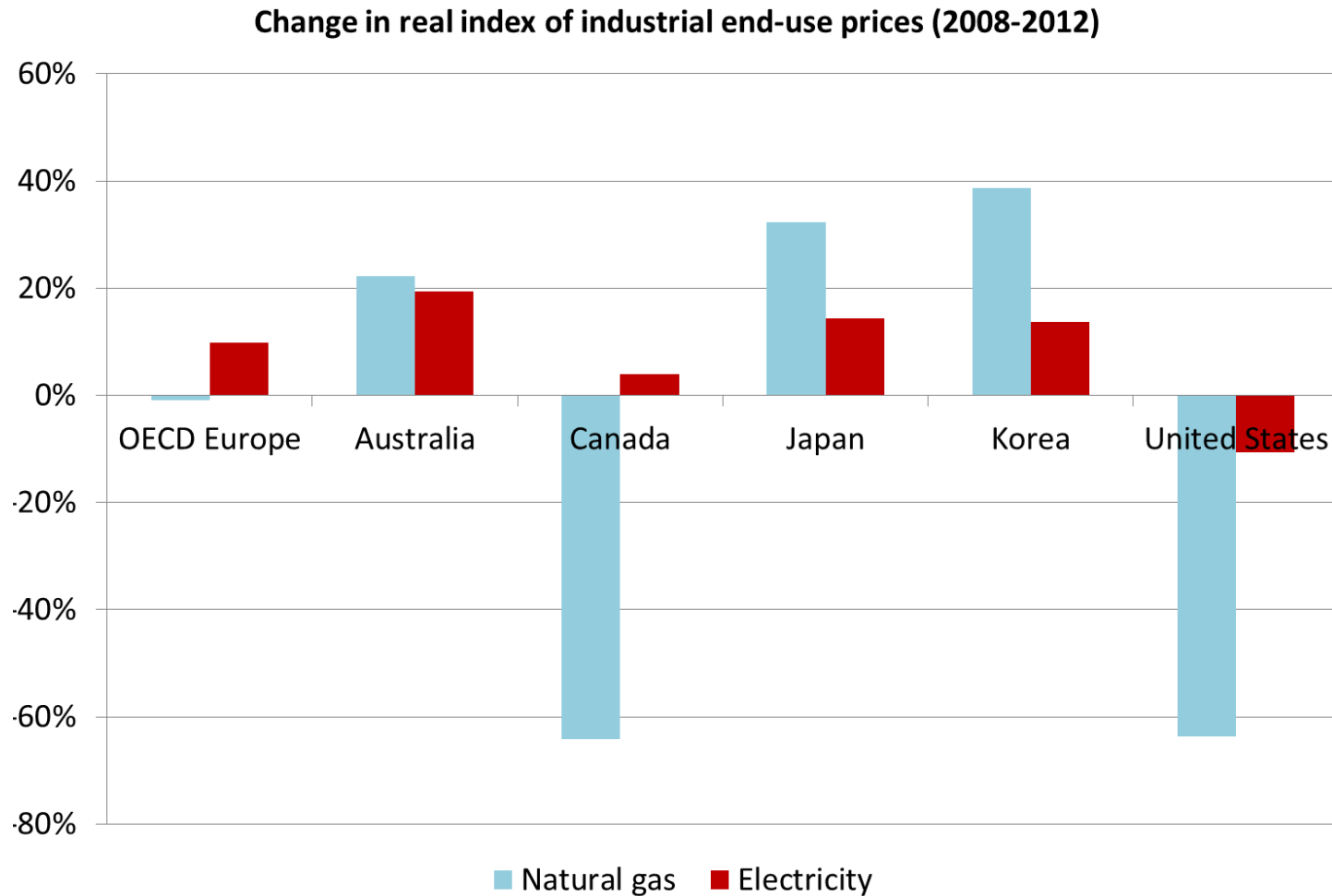
EU Energy (and Climate) Policy

Challenges - Europe's competitiveness



Presentation of J.M. Barroso to the European Council, 22 May 2013

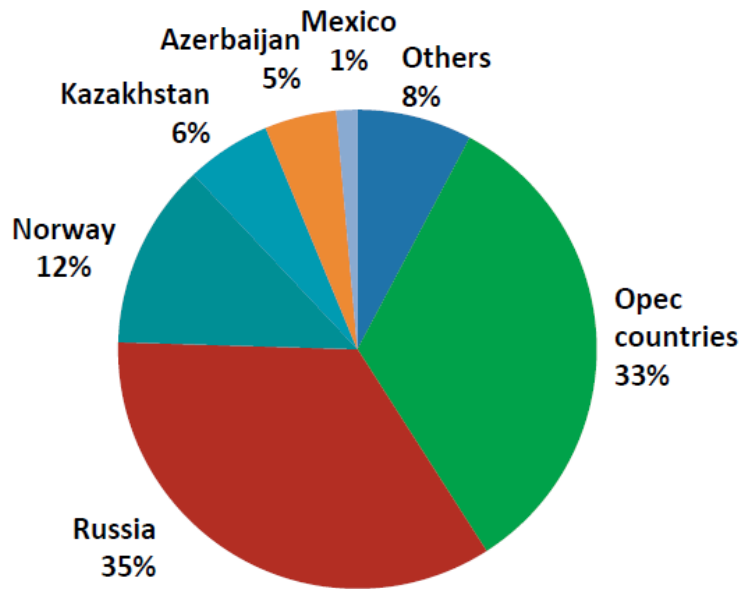
Challenges - Energy Prices



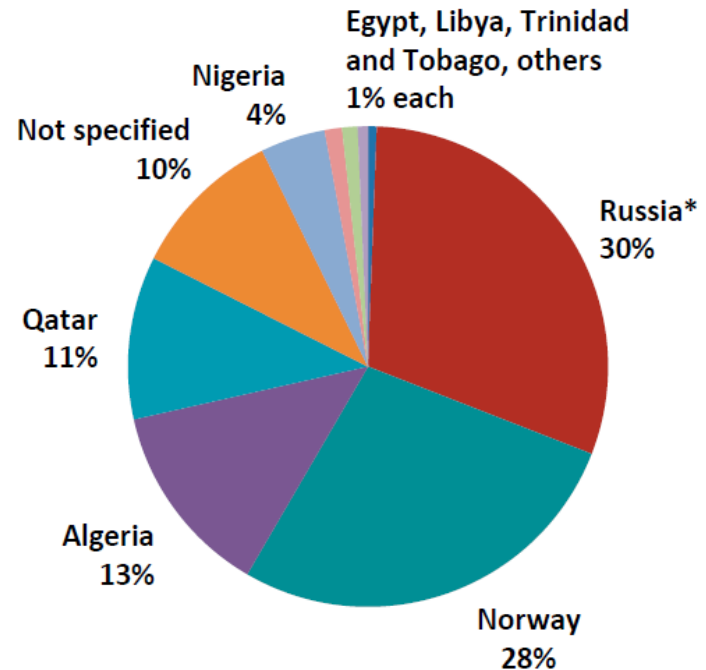
Source: IEA, European Commission calculations

Challenges - Energy Dependency

EU imports of crude oil in 2011
(~80%)



EU imports of natural gas in 2011
(~60%)



* This figure includes gas from other countries than Russia exported through Russia to the EU

Source: European Commission

EU Energy Policy

Treaty of Lisbon

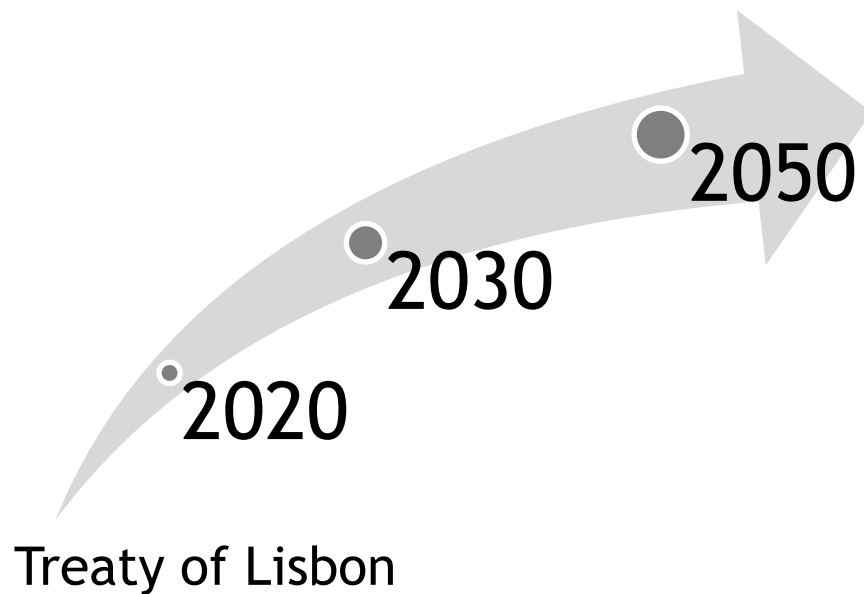
- Places energy at the heart of European activity

- Article 194 of the Treaty on the functioning of the European Union

- Union policy on energy shall aim to
 - ensure the functioning of the energy market;
 - ensure security of energy supply in the Union;
 - promote energy efficiency and energy saving and the development of new and renewable forms of energy; and
 - promote the interconnection of energy networks.



EU Energy Policy



Energy Roadmap 2050

Reduction of GHG-Emissions to 80%-95% below 1990 levels by 2050

- Decarbonisation of the energy system
- Energy Efficiency
- Renewable Energy
- Early Investments
- Security of Supply

EU Energy Policy

Goals

Competitiveness

... to improve the efficiency of the European energy grid by creating a truly competitive internal energy market

Security of supply

... to better coordinate the EU's supply of and demand for energy within an international context

Sustainability

... to actively combat climate change by promoting renewable energy sources and energy efficiency

→ “Energy 2020”

EU Energy Policy

Key policy instruments until 2020

Competitiveness

**Security
of supply**

Sustainability

Internal Market for Energy

International Cooperation

Renewable Energy

Energy Efficiency/Energy Savings

Climate Policy

Energy 2020 - Internal Market

Legislation

- 3rd Energy Package Directive
 - Regulation on conditions for access to the natural gas transmission networks (**Gas Regulation**)
 - Regulation on conditions for access to the network for cross-border exchanges in electricity (**Electricity Regulation**)
 - Regulation establishing an Agency for the Cooperation of Energy Regulators (**ACER Regulation**)
 - Directive concerning common rules for the internal market in natural gas (**Gas Directive**) (2009/73/EC)
 - Directive concerning common rules for the internal market in electricity (**Electricity Directive**) (2009/72/EC)

Energy 2020 - Internal Market

- Unbundling and open access to network
 - Separation of production and supply from transmission networks
 - Independent system operator
- Facilitating cross-border energy trade
 - Agency for the cooperation of National Energy Regulators
- More effective national regulators
- Promoting cross border collaboration and investment
 - European Network for Transmission System Operators
 - Common commercial and technical codes
 - Security standards
 - Plan and coordinate the investments needed at EU level
 - Projects of Common Interest
- Greater transparency and increased solidarity
- Trans European Networks
Pan-European integrated energy market with infrastructure

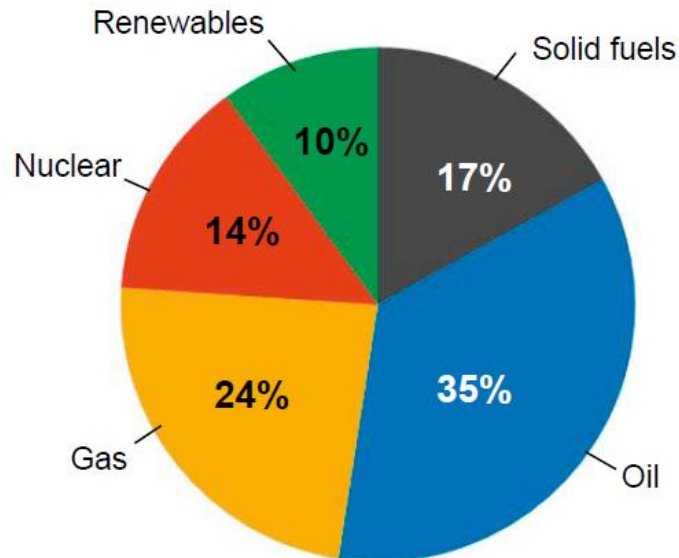
Energy 2020 - International Cooperation

- High EU import dependency: imports of over 60% of gas and over 80% of oil
- Communication "The EU Energy Policy: Engaging with Partners beyond Our Borders" COM(2011) 539
 - Aims
 - building up the EU's internal energy market
 - strengthening partnerships for secure, safe, sustainable and competitive energy
 - improving access to sustainable energy for developing countries
 - better promoting EU policies beyond its borders
- Energy Community
 - Helps to bring on track the energy policy of future EU-Member States

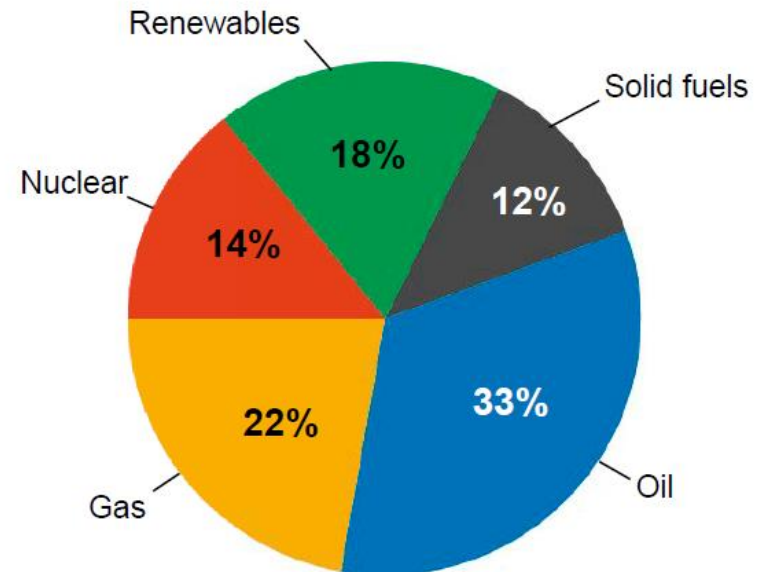
Energy 2020 - Renewable Energy

Europe's energy mix is changing

**EU gross inland consumption
2011**



**EU gross inland consumption
2030 (scenario)**



Source: European Commission

Energy 2020 - Renewable Energy

- Renewable Energy Directive (2009/28/EC)
 - Common framework for the production and promotion of energy from renewable sources
 - National targets and measures
 - National renewable energy action plans
 - Cooperation between Member States
 - Guarantee of origin
 - Access to and operation of the grids
 - Biofuels and bioliquids

- Guidelines on State aid for environmental protection and energy 2014-2020

Energy 2020 - Energy Efficiency

- Energy Efficiency Directive (2012/27/EU)
 - Implementation for Member States foreseen by June 2014
 - Common framework of measures for the promotion of EE
 - Use of energy more efficiently at all stages of the energy chain
 - Measures included
 - Set indicative national energy efficiency target
 - Easy and free-of-charge access to data on real-time and historical energy consumption
 - Energy audit for large enterprises
 - Renovating of buildings e.g. in public sector
 - Efficiency in energy generation

- Ecodesign Regulations (2009/125/EC)

- Transposition of the energy performance of buildings directive (2010/31/EU)

EU Climate Policy

- The 2020 climate and energy package
 - Initially proposed in 2007 and adopted by 2009, the Climate and Energy Package is a set of EU legislative measures, designed to reach three core targets by 2020 (known as the "20-20-20 by 2020")
 - Commitment to low-carbon economy

20%
greenhouse
gas reduction

20%
renewable
energy

20%
energy savings

EU Climate Policy

- **EU Emissions Trading System (EU ETS)**
 - Key tool for cutting industrial greenhouse gas emissions most cost-effectively
 - Operates in the 28 EU countries and the three EEA-EFTA states (Iceland, Liechtenstein and Norway)
 - Covers around 45% of the EU's greenhouse gas emissions
- **National targets for non-EU ETS emissions**
 - Effort Sharing Decision
 - National targets for reducing greenhouse gas emissions from the sectors not covered by the EU ETS
- **National renewable energy targets**
 - National targets enable the EU as a whole to reach its 20% renewable energy target (Renewable Energy Directive)
- **Carbon capture and storage**
 - Involves capturing the carbon dioxide emitted by industrial processes and storing it in underground geological formations
- **Energy efficiency**

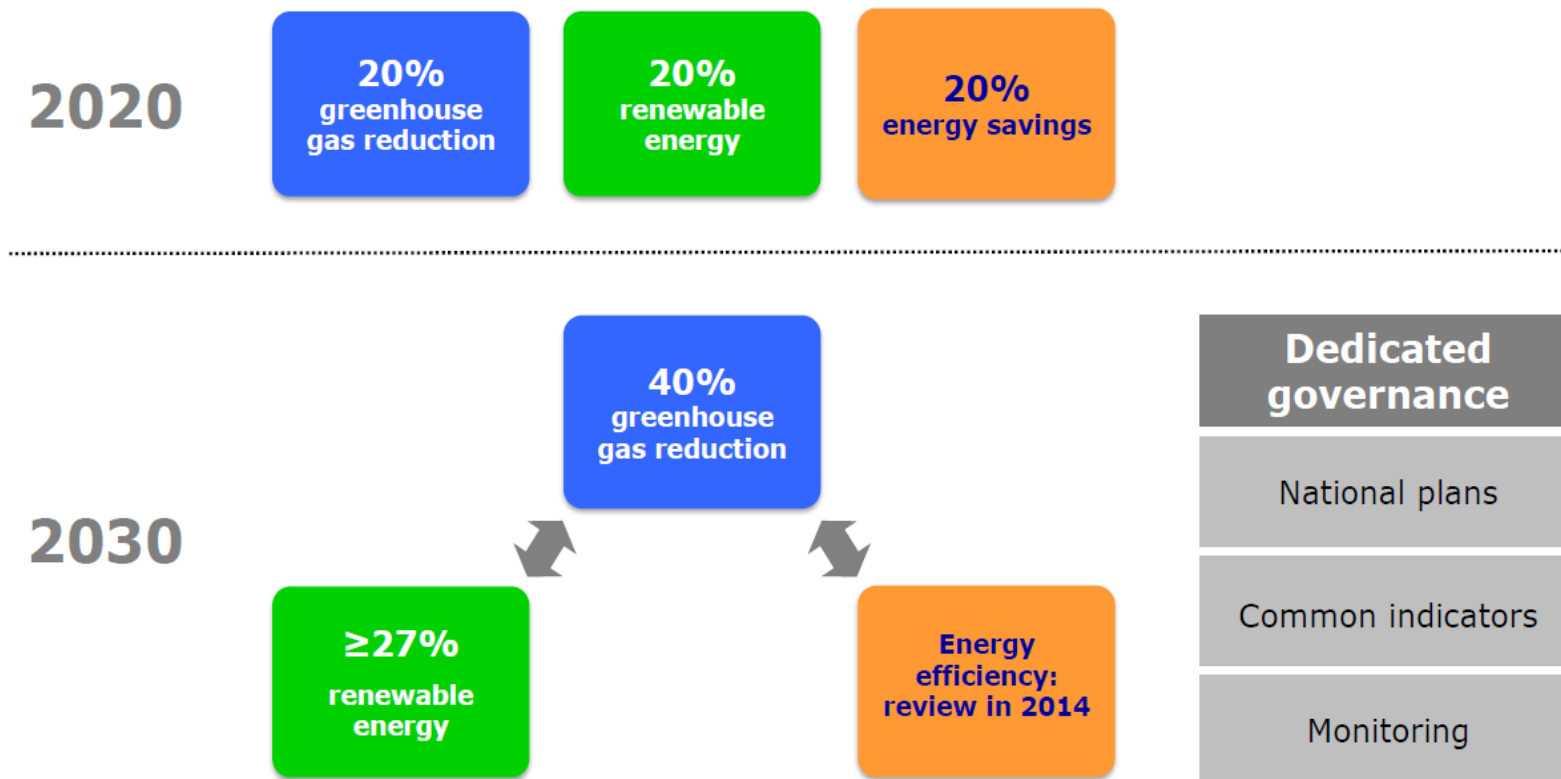
2030 Framework

The EU's 2030 goals for climate and energy



2030 Framework

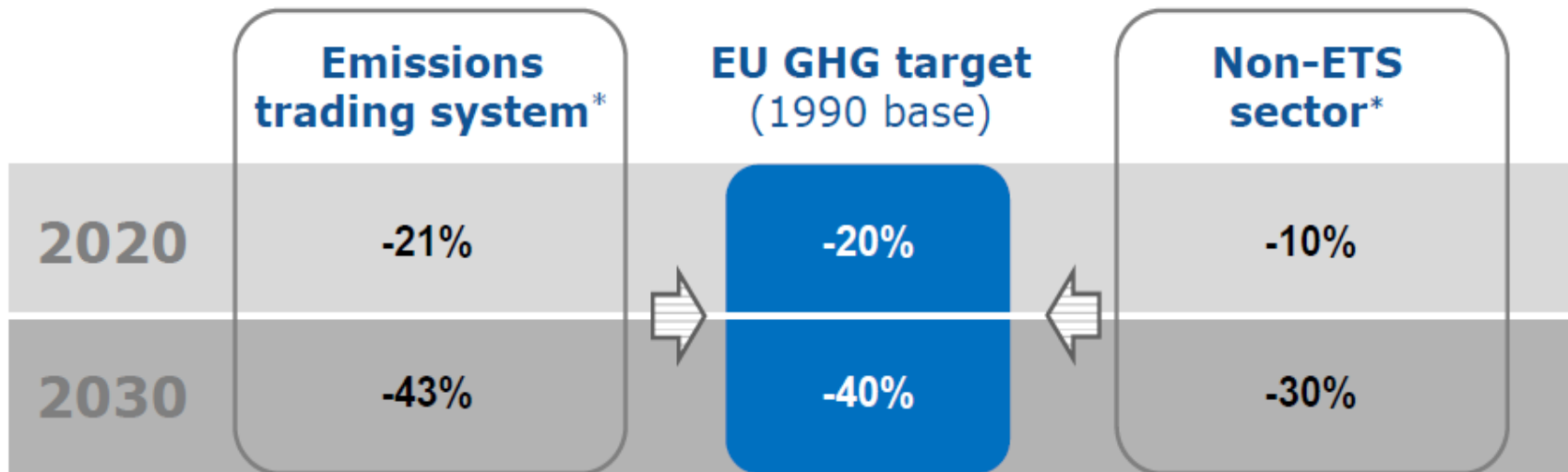
A renewed ambition for 2030



Presentation of J.M. Barroso to the European Council, 20-21 March 2014

2030 Framework

A cost-effective reduction in emissions



HOW?

- 'Cap and trade'
- Market stability reserve
- Protection against carbon leakage
- Effort-sharing through binding national targets
- Support measures (e.g. standards)

Presentation of J.M. Barroso to the European Council, 20-21 March 2014

2030 Framework - WKÖ Position

- We reject the proposed 40% CO₂ reduction target
 - Target would constrain the needed growth perspective for Europe's businesses
 - Manufacturing sector must be protected from increased costs until a global agreement is reached

- A target for the re-industrialisation of Europe has to be set
 - The de-industrialisation is weakening Europe and must be stopped

- Global climate protection must be expanded and developed - without further EU unilateralism
 - WKÖ is vehemently against further unilateral EU climate policies
 - European economy with one-sided costs risks relocation of CO₂-intensive production outside Europe

- It is necessary to devise a more cost-effective strategy for the uptake of renewable energy and a more flexible and innovation-based approach to energy efficiency

Open Questions

- Which targets?
- Which instruments? Interaction of instruments?
- How to re-invent ETS?
- How to make sure these policy instruments are cost-effective? (i.e. carbon market, RES, Energy Efficiency)
- How to combine climate change, energy security, competitiveness?
- Reaping industrial opportunities, and address carbon leakage?
- Policy framework robust to energy developments which will remain key, but uncertain
 - Shale gas,
 - Nuclear (Fukushima),
 - Increased technology competition (solar, wind, ...) ...?



Verena Gartner

Department of Environment and Energy Policy
Wiedner Hauptstraße 63 | 1045 Vienna

verena.gartner@wko.at

+43 5 90 900 3451