



European
Commission



European Energy Security Strategy

DG Energy
European Commission
October 2014



Towards the European Energy Security Strategy

- March 2014 European Council
- 28 May 2014: Commission publishes European Energy Security Strategy
- June 2014 European Council
 - *Confirms that the EESS is closely linked to the 2030 policy framework on climate and energy.*
 - *Supports the immediate implementation of a set of most urgent measures to strengthen Europe's resilience and increase its energy security in the short term, before the winter of 2014/2015.*
 - *Calls for increased efforts to reduce Europe's high energy dependency.*

8 main elements of the EU Energy Security Strategy

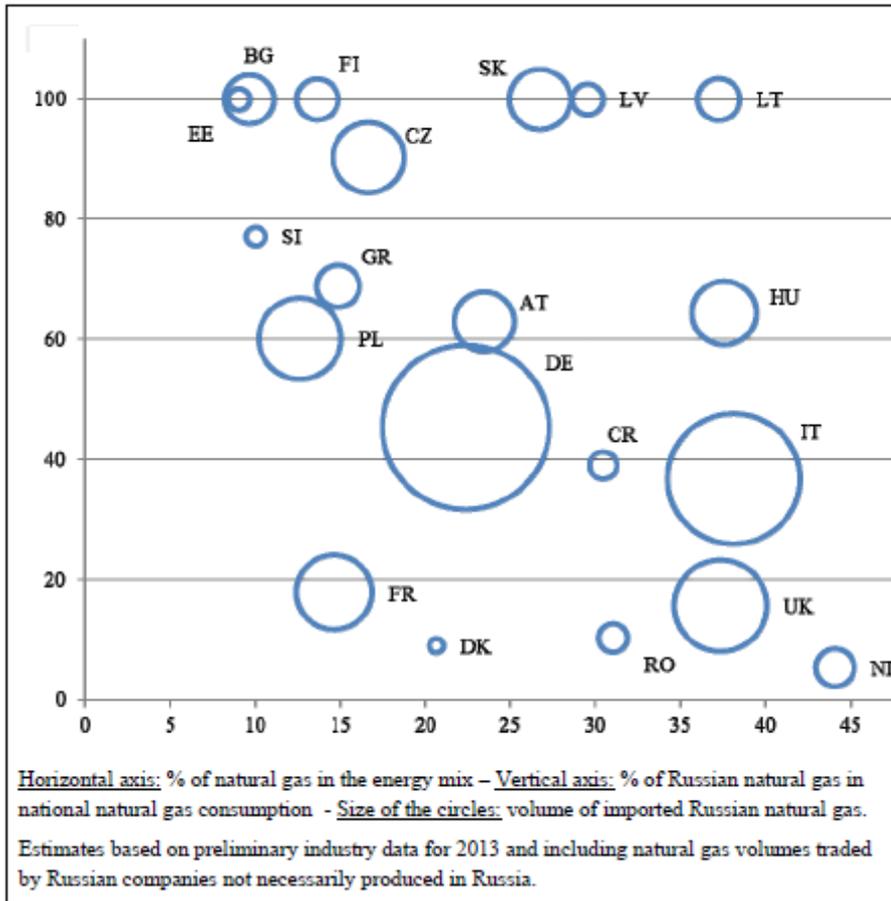
Short term measures:

1. Immediate actions aimed at increasing the EU's capacity to overcome a major disruption during the winter 2014/2015
2. Strengthening emergency/solidarity mechanisms including coordination of risk assessments and contingency plans; and protecting strategic infrastructure

Longer term measures:

1. Moderating energy demand
2. Building a well-functioning and fully integrated internal market
3. Increasing energy production in the European Union
4. Further developing energy technologies
5. Diversifying external supplies and related infrastructure
6. Improving coordination of national energy policies and speaking with one voice in external energy policy

Natural gas: in the spotlight for disruption risks



- High import dependency (66%) and import bill (approx. 87 billion Euro in 2013), limited number of suppliers
- Six Member States depend on Russia as single external supplier for their entire gas imports. Three of them use natural gas for more than a quarter of their total energy needs
- In 2013 energy supplies from Russia accounted for 39% of EU natural gas imports or 27% of EU gas consumption
- Russia exported 71 % of its gas to Europe with the largest volumes to Germany and Italy

Short-term measures

Immediate actions (in view of the next winter)

- Monitoring of gas flows + storage
- Update on the Energy Security Stress Tests
 - Launched July 2014
 - All reports received from Member States and Contracting Parties
 - 15 October 2014: Stress Test Report adopted by the European Commission
 - Report to be submitted to the October European Council

Stress Tests – Main results

Immediate actions (in view of the next winter)

Cooperation helps alleviate the situation

- Disruption impacts EU, with the Eastern Member States and the Energy Community countries being affected most
- Working together avoids consumers to be cut off from the gas.

Allowing the market to function as long as possible

- Wide range of measures mitigate the impacts of a supply disruption
- Guiding principle: market-based approach; non-market measures only kicking in when the market fails. Plans are often too much limited to the national market and resort too quickly to interventionist measures.
- Concrete recommendations on short-term measures for the most vulnerable EU Member States and the neighbouring countries.

Medium to long-term challenge (1)

Energy demand

- Review of Energy Efficiency Directive (EED): progress towards 2020 target and 2030 policy framework
 - Proposes a 30% target by 2030
 - Priority sectors: housing, transport and industry
 - Address barriers to energy efficient markets (non-legislative)
 - Review Energy Labelling and Eco-design Directives

Medium to long-term challenge (2)

Internal market for electricity and gas

- Complete transposition of internal energy market legislation by end 2014 (unbundling rules, reverse flows and access to gas storage facilities). As of 1/1/2015 the 3rd Package applies in the Energy Community Contracting Parties

Key interconnectors

- Set interconnection targets for electricity:
 - at least 10% by 2020
 - 15% by 2030
- Swift Implementation of Projects of Common Interest (PCI) for both Gas and Electricity
- 32 Priority projects for the short- to medium-term (gas: 27; electricity: 6)

Medium to long-term challenge (3)

Energy production of indigenous sources:

Renewable energy

- 20% RES by 2020, market-based; proposal of 27% by 2030
- Medium term: Accelerate fuel-switch in heating

Conventional and unconventional resources

- Consider hydrocarbons and clean coal taking into account 2030 energy and climate change objectives
- Carbon Capture and Storage (CCS) => NER 300 Programme, European Energy Programme for Recovery (EEPR); review of CCS Directive
- Assess unconventional gas potential (Recommendation 2014/70/EU)
- European science and technology network on shale gas

Medium to long-term challenge (4)

Diversification of supply

- Southern Gas Corridor
- Eastern Mediterranean
- Northern Africa
- LNG capacities and new suppliers

Next steps

- **23/24 October: European Council**
- **Follow-up actions:**
 - **Prepare legislative and non-legislative proposals to implement the 2030 Framework on climate and energy**
 - **Actions according to Stress Test Report**