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on Towards a European Energy Union
(2015/0000(INI))

Committee on Industry, Research and Energy

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United in diversity

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Towards a European Energy Union (2015/0000(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, in particular Articles 191, 192 and 194 thereof,
- having regard to the Commission communication entitled ‘A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy’ (COM(2015)0080) and its annexes,
- having regard to the Commission communication entitled ‘European Energy Security Strategy’ and the accompanying working documents (COM(2014)0330),
- having regard to the Commission communication entitled ‘Short term resilience of the European gas system. Preparedness for a possible disruption of supplies from the East during the autumn and winter of 2014/2015’ (COM (2014)0654),
- having regard to the Commission communication on security of energy supply and international cooperation entitled ‘The EU Energy Policy: Engaging with Partners beyond Our Borders’ (COM(2011)0539),
- having regard to the report from the Commission to the European Parliament, the Council and the European Economic and Social Committee entitled ‘Implementation of the Communication on Security of Energy Supply and International Cooperation and of the Energy Council Conclusions of November 2011’ (COM(2013)0638),
- having regard to the Commission communication of 13 November 2008 entitled ‘Second Strategic Energy Review: an EU Energy Security and Solidarity Action Plan’ (COM(2008)0781),
- having regard to the Commission communication of 26 November 2014 entitled ‘An Investment Plan for Europe’ (COM(2014)0903),
- having regard to the Commission communication of 10 October 2012 entitled ‘A stronger European industry for growth and economic recovery’ (COM(2012)0582),
- having regard to the Commission communication of 15 November 2012 entitled ‘Making the internal energy market work’ (COM(2012)0663), and to Parliament’s resolution of 10 September 2013 on making the internal energy market work¹,
- having regard to the Commission communication entitled ‘Progress towards completing the internal energy market’ (COM (2014)0634),
- having regard to the Commission communication entitled ‘Energy infrastructure

¹ Texts adopted, P7_TA(2013)0344.

priorities for 2020 and beyond – a blueprint for an integrated European energy network’ (COM(2010)0667),

- having regard to the Commission communication entitled ‘Long-term infrastructure vision for Europe and beyond’ (COM(2013)0711), which sets out the list of energy infrastructure projects of common interest (PCIs),
- having regard to the Commission communication of 29 January 2014 entitled ‘Energy prices and costs in Europe’ (COM(2014)0021/2),
- having regard to the Commission communication of 22 January 2014 entitled ‘For a European Industrial Renaissance’ (COM(2014)0014),
- having regard to the Commission communication entitled ‘Making the Internal Energy Market Work’ and the accompanying working documents (COM(2012)0663),
- having regard to the Commission report of 14 November 2012 entitled ‘The state of the European carbon market in 2012’ (COM(2012)0652),
- having regard to the Commission communication of 20 September 2011 entitled ‘Roadmap to a Resource Efficient Europe’ (COM(2011)0571), and to Parliament’s resolution of 24 May 2012 on a resource-efficient Europe¹,
- having regard to the Commission communication entitled ‘Energy efficiency and its contribution to energy security and the 2030 framework for climate and energy policy’ (COM(2014)0520),
- having regard to the Commission communication of 15 December 2011 entitled ‘Energy Roadmap 2050’ (COM(2011)0885), and to Parliament’s resolution of 14 March 2013 on ‘the Energy Roadmap 2050, a future with energy’²,
- having regard to the Commission staff working document entitled ‘Exploiting the employment potential of green growth’ (SWD(2012)0092),
- having regard to the Commission communication entitled ‘A policy framework for climate and energy in the period from 2020 to 2030’ (COM(2014)0015),
- having regard to the Commission communication entitled ‘A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy’ (COM(2015)0080) and its annexes,
- having regard to the European Council conclusions of 23/24 October 2014,
- having regard to the European Council conclusions of 19/20 March 2015,
- having regard to Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009,

¹ Texts adopted, P7_TA(2012)0223,

² Texts adopted, P7_TA(2013)0088.

- (EC) No 714/2009 and (EC) No 715/2009(5), and to the Commission communication of 14 October 2013 entitled ‘Long-term infrastructure vision for Europe and beyond’ (COM(2013)0711), which sets out the first Union-wide list of energy infrastructure projects of common interest (PCIs),
- having regard to the proposal for a regulation of the European Parliament and of the Council establishing the Connecting Europe Facility (COM(2011)0665),
 - having regard to Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC(4),
 - having regard to the Third Energy Package,
 - having regard to Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC(2),
 - having regard to Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC(3),
 - having regard to Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings,
 - having regard to its resolution of 12 June 2012 on Engaging in energy policy cooperation beyond our borders: A strategic approach to secure, sustainable and competitive energy supply¹,
 - having regard to its resolution of 21 November 2012 on industrial, energy and other aspects of shale gas and oil²,
 - having regard to its resolution of 17 February 2011 on Europe 2020³,
 - having regard to its study entitled ‘Mapping the Cost of Non-Europe, 2014 -19’,
 - having regard to the Energy Charter Treaty, in particular articles 7 and 20 thereof,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on xxx (A8-0000/2015),
- A. whereas defining the energy mix of Member States is an exclusive national competence, and therefore energy mixes remain highly diversified;
- B. whereas the Member States are exclusively competent for defining their energy mix,

¹ Texts adopted, P7_TA(2012)0238,

² Texts adopted, P7_TA(2012)0444,

³ OJ C 188 E, 28.6.2012, p. 42.

- and the Commission must not encroach upon this competence by passing EU laws that discriminate against certain energy resources to the advantage of others;
- C. whereas measures for developing the Energy Union and achieving the 2030 climate targets must take full account of the impacts on energy prices, costs and the competitiveness of the EU economy in order to get the necessary support from citizens and industry;
 - D. whereas the goal of a resilient Energy Union with an ambitious climate policy at its core is to give EU consumers – households and businesses – secure, sustainable, competitive and affordable energy;
 - E. whereas the future vision of the Energy Union must be one in which Member States recognise that they depend on each other to deliver secure energy to their citizens, based on true solidarity and trust, and in which the Energy Union speaks with one voice in global affairs;
 - F. whereas EU energy and climate policies must complement each another, and their objectives must reinforce rather than undermine one another; the Energy Union should therefore complement European reindustrialisation targets, boost the transition to a low-emission economy and enhance the global competitiveness of the European economy, while effectively avoiding any threat of carbon leakage;
 - G. whereas the EU imports more than half of all the energy it consumes, its import dependency is particularly high for crude oil (more than 90 %) and natural gas (66 %), and the total import bill is more than EUR 1 billion per day;
 - H. whereas many countries are heavily reliant on a single supplier, including some that rely entirely on Russia for their natural gas and others that heavily rely on Northern Africa, which leaves them vulnerable to supply disruptions, whether these are caused by political or commercial disputes, or infrastructure failure;
 - I. whereas no Member State should be subject to unfavourable contract terms which exploit its weak position on the energy market based merely on geographical and historical determinants;
 - J. whereas the 2006 and 2009 gas disputes between Russia and transit-country Ukraine left many EU countries with severe shortages;
 - K. whereas over EUR 1 trillion need to be invested in the EU energy sector by 2020 alone;
 - L. whereas EU industry gas prices are now three to four times higher than US, Indian and Russian prices, 12 % higher than China's, comparable to those of Brazil and lower than those of Japan;
 - M. whereas EU industrial electricity prices, before taking account of tax or levy exemptions for energy-intensive industries, are more than twice as high as in the US and Russia, 20% higher than China's but 20% lower than those in Japan;
 - N. whereas welfare loss owing to EU gas market inefficiency exceeds EUR 11 billion

- annually owing to, inter alia, a lack of infrastructure and a low level of market liquidity and transparency;
- O. whereas ex-post assessment and verification of all energy-related agreements as regards compliance with EU law is already possible through, inter alia, competition and energy regulations; whereas insufficient ex-ante compliance checks at national and EU level lead to severe market distortions;
 - P. whereas 30 million European jobs are at risk owing to the US shale gas boom, as energy-intensive industries move operations to the US, where energy costs are far lower;
 - Q. whereas the price difference with other economies has a negative impact on the competitiveness of our industry, in particular our energy-intensive industries;
 - R. whereas EU companies have a share of 40 % of all patents for renewable technologies, which makes it a global leader as regards investment in renewable energy;
 - S. whereas, notwithstanding its global dominance in investment in renewable energy, the World Energy Outlook 2014 predicts global energy demand to grow by 37 % and global coal demand by 15 % by 2040;
 - T. whereas a more economically and physically integrated single market in energy could result in efficiency gains of some EUR 50 billion;
 - U. whereas better interconnection levels for electricity and gas will increase energy security while balancing supply and demand between the Member States;
 - V. whereas the external dimension of EU energy policy needs more coherence and has not yet tapped its full potential to contribute in terms of security of energy supply and the Union's competitiveness;
 - W. whereas the European Energy Security Strategy identified 33 infrastructure projects which are essential to improve security of supply and to better connect energy markets;
 - X. whereas the International Energy Agency's estimates that the EU is responsible for 11 % of global greenhouse gas emissions and that this proportion is set to decrease in the future; whereas the EU's contribution to lowering global emissions must happen alongside that of other major emitters;
 - Y. whereas diversification of supplies, the completion of the internal energy market, more efficient energy consumption, the development of indigenous energy resources and R&D activities are the key drivers of the Energy Union;
 - Z. whereas the EU's aspiration is to raise the contribution of industry to its GDP to as much as 20 % by 2020, and affordable energy will be indispensable to achieving this ambition;

Dimensions of the Energy Union

1. Welcomes the Commission communication entitled 'A Framework Strategy for a

Resilient Energy Union with a Forward-Looking Climate Change Policy’;

2. Calls on the Commission to actively pursue the diversification of supply (energy sources, suppliers and routes); to this end, calls on the Commission to promote the construction of the relevant energy infrastructure priority corridors, as specified in Annex I to the trans-European energy networks (TEN-E) regulation and Part II of the Annex I to the Connecting Europe Facility (CEF) regulation, such as the Southern Gas Corridor;
3. Stresses that all EU infrastructure projects aimed at diversifying energy sources, suppliers and routes must be fully in line with EU legislation and EU energy security priorities;
4. Underlines that energy suppliers coming from third countries must be subject to the EU acquis while operating on the common market, and calls on the Commission to enforce EU law by all means available in order to allow energy to flow freely in the EU and prevent distortions in the internal market;
5. Stresses that it is of utmost importance to the EU to end the isolation of some Member States from the internal energy market, as demonstrated by the gas stress tests carried out by the Commission; calls on the Commission, in this regard, to carry out such tests every two years;
6. Notes that, in the context of the future Energy Union, security of energy supply is the most pressing issue and that Member States must coordinate and cooperate in this respect with their neighbours when developing their energy policies; calls on the Commission, in this respect, to examine how the current architecture of national preventive and emergency response measures could be streamlined at both regional and EU level;
7. Calls on the Commission to support those Member States that wish to negotiate energy contracts on a voluntary basis by introducing a common negotiating mechanism, and stresses that the functioning of such a mechanism must be subject to compliance with the EU internal market acquis and with EU competition and World Trade Organisation rules;
8. Stresses that greater transparency of intergovernmental agreements could be achieved by strengthening the role of the Commission in energy-related negotiations involving one or more Member States and third countries, including by having the Commission participate in those negotiations if there is a risk of abuse of a dominant position by one supplier; notes that furthermore the Commission should carry out ex-ante and ex-post assessments and draw up both a positive and a negative list of agreement clauses, such as export ban and destination clauses;
9. Stresses that all future intergovernmental energy agreements with non-EU parties must be discussed with the Commission ahead of signing in order to make sure that they comply with EU legislation, in particular with the Third Energy Package;
10. Calls on the Commission to enhance the transparency of commercial gas contracts in order to effectively remove abusive clauses and ensure better ex-ante compliance

- checks with EU law and energy security provisions;
11. Calls on the Commission to prepare draft contract templates and guidelines including an indicative list of abusive clauses in order to create a reference for competent authorities and companies in their contracting activities;
 12. Stresses that in order to ensure a level playing field and strengthen the bargaining position of EU companies vis-à-vis external suppliers, key features of the contracts should be aggregated and regularly published so as to establish a transparent benchmark which can be referred to by competent authorities and companies in their future negotiations, whilst protecting the confidentiality of sensitive information;
 13. Calls on the Commission to establish an EU-wide target for reducing energy import dependency and to publish regular progress reports in this respect;
 14. Believes that diversity in the energy mixes of Member States, based on their respective potential, experience, know-how and economic costs and needs, is an asset to the EU as a whole, since it strengthens its resilience to supply disruptions, enables it to make cost-optimal energy choices and allows different technologies to develop and compete on the market, thereby driving down the costs of energy;
 15. Believes that the Union can reduce its dependency on particular suppliers and fuels by maximising its use of indigenous sources of energy, including conventional and unconventional low-emission fossil fuels and renewables, and therefore stresses that no fuel or technology contributing to energy security and climate goals should be discriminated against;
 16. Believes that indigenous resources, both conventional and unconventional, which have the potential to increase the EU's energy security of supply should be fully tapped and that unnecessary regulatory burdens on the entities willing to invest in these fields must be avoided;
 17. Calls on the Commission to facilitate the effective use of existing EU funding schemes, including the European Fund for Strategic Investments, so as to support investment in the development of Europe's indigenous energy resources, based on a technology-neutral approach;
 18. Calls on the Commission, and in particular DG TRADE, to continue to press for a dedicated energy chapter within the Transatlantic Trade and Investment Partnership (TTIP), with a view to removing US export restrictions on both crude oil and liquefied natural gas (LNG) and eliminating protectionist measures;
 19. Calls on the Commission and the Member States to strengthen the Energy Community through, inter alia, better implementation and enforcement of EU law, enhancing its institutions and implementing key infrastructure projects in order to ensure better integration with the EU energy market and security of supply mechanisms;

Internal market

20. Believes that the future Energy Union must establish a free flow of energy across EU

- countries as the fifth European freedom alongside free movement of people, goods, capital and services;
21. Stresses that the backbone of the future Energy Union must be a fully functioning internal energy market that delivers secure, competitive and sustainable energy to enable EU companies and consumers to access gas and electricity in the most efficient and cost-effective way possible;
 22. Believes at the same time that market-based mechanisms must be complemented by tangible and ambitious solidarity mechanisms, such as more efficient EU crisis management, better use of LNG and gas storage and virtual capacity reserve mechanisms to be enshrined in EU legislation, including the Security of Gas Supply Regulation, which, to this end, must be reviewed as soon as possible;
 23. Stresses the need for full implementation and enforcement of existing EU energy legislation and for a swift adoption of ambitious European network codes and guidelines, which must go hand in hand with strengthening the competences of the Agency for the Cooperation of Energy Regulators (ACER), the European Network of Transmission System Operators for Electricity (ENTSO-E) and the European Network of Transmission System Operators for Gas (ENTSO-G);
 24. Stresses that a properly designed future model of the electricity market in the EU must aim at a more market-based and optimal, from the point of view of network security, integration of renewable energy sources;
 25. Calls on the Member States and the Commission to concentrate their efforts on driving projects of common interest (PCIs) forward, with a view to achieving a pan-European 'super grid' with the capacity to transmit power across EU countries from multiple sources and therefore capable of diverting energy from surplus to deficit areas, thereby allowing the market to instantly respond to interruptions of supply wherever they occur;
 26. Supports regional approaches where there are particular regional challenges or opportunities, or where acting regionally could speed up market integration, including through the creation of regional hubs to enhance market liquidity;
 27. Points out that in order to successfully balance the internal market, investment is needed not only in interconnectors but also in, inter alia, storage capacity, such as LNG terminals and smart grids, in order to cope with enhanced renewable and distributed generation;
 28. Stresses the need to create a legislative framework that empowers consumers and makes them active participants in the market as investors and stakeholders; notes that consumers' involvement can be strengthened through, inter alia, energy cooperatives and micro-generation and enhanced transparency of prices and consumer choices; points out that such initiatives could contribute to reducing energy prices and help address serious social problems, such as fuel poverty;

Energy efficiency contributing to moderation of demand;

29. Notes that following the European Council conclusions of 23 and 24 October 2014,

- post-2020 EU energy-efficiency targets must be non-binding and not apply at national level;
30. Notes that improvements in energy-efficiency pursued on a cost-effective basis will make a key contribution to energy security, competitiveness and the achievement of climate objectives; stresses, however, that gains in energy efficiency cannot replace diversification of energy supply;
 31. Believes that it will be important to avoid over-prescriptive legislation that can constrain domestic policy choices about how best to promote energy efficiency within a national context;
 32. Believes that the energy-efficiency target must work alongside energy and climate goals and strengthen the competitiveness of the EU economy vis-à-vis its major trade partners;
 33. Stresses that a cautious revision of existing energy efficiency legislation, including the Energy Performance of Buildings Directive and the Energy Efficiency Directive, is needed in order not to undermine national policies already in place which operate within the 2020 climate and energy framework; calls on the Commission to review the EU energy-efficiency legislation by no sooner than 2018;
 34. Acknowledges that local authorities of European cities undoubtedly make an important contribution to energy independence by increasing energy-efficiency through cogeneration, modernising district heating systems, increasing the use of cleaner public transport, encouraging more active travel models and renovating buildings;
 35. Calls on the Commission to identify, in consultation with the appropriate industry sectors and national, regional and local stakeholders, best practices for energy-efficiency financing throughout the EU and abroad and subsequently incorporate funding and innovative financing mechanisms in EBRD, EIB and other EU funds;

Creating a low-emission economy and making Europe the global leader in renewables and other low-emission technologies

36. Underlines the crucial role of renewables in the EU in attaining its greenhouse gas reduction targets; underlines that, in this regard, the current market design should be improved by fully integrating renewables into the market and introducing cost-reflective balancing prices;
37. Stresses, however, that the EU must employ a technology-neutral approach to decarbonising our energy systems, adopting strategies for using and promoting not only renewable energy sources but also other low-emission sources of energy; calls on the Commission, in this respect, to revise its Energy and Environmental State Aid Guidelines in a way which will provide for an equitable treatment of energy production from different energy sources;
38. Stresses that decarbonisation which is not pursued through a technology-neutral approach could result in a drastic increase in energy costs in some Member States, which would lead to energy poverty, deindustrialisation of the European economy and a

- subsequent rise in unemployment; stresses that it therefore needs to be a sovereign decision of each Member State on how to decarbonise its economy;
39. Recognises that indigenous energy sources such as nuclear, clean coal technologies and fossil fuels with carbon capture and storage (CCS) would make a fundamental contribution to EU energy security and decarbonisation, with shale gas facilitating the transition to a low-emission economy; believes, in this respect, that the Energy Union must reflect the need for the EU to use all low and lower emission sources at Member States' disposal;
 40. Believes that it is for Member States to determine the best mix of policies and technologies to deliver decarbonisation and national climate change targets; recognises that in some areas, such as product standards, EU-level policies are the most effective, while in others Member States may choose to work together;
 41. Calls on the Commission to put forward proposals for establishing a Modernisation Fund, which should have strict criteria and guidance to ensure that funding is targeted at genuine energy modernisation projects, which would be selected based on a technology-neutral approach and on whether they are demonstrably consistent with attainment of the EU's 2030 greenhouse gas objectives;
 42. Calls on the Commission and the Member States to ensure that the development of the Energy Union takes due consideration of requirements for environmental protection, biodiversity and the competitiveness of European industry;
 43. Calls on the Commission and the Member States to undertake common efforts in order to bring down wholesale and retail gas and energy prices by 20 % by 2020;

Research and Development

44. Calls on the Commission to intensify its research efforts regarding the better use of Europe's indigenous resources, both conventional and unconventional;
45. Stresses that the EU must collectively step up its efforts as regards efficient, low-emission technologies in order to meet its 2030 objectives and improve its energy security and facilitate economic recovery;
46. Believes that greater effort in developing innovative low-emission technologies and solutions can bring significant long-term benefits in terms of reduced generation costs and reduced energy demand;
47. Underlines that it should be a priority for the Member States to bring down the costs of less mature low-carbon energy technologies, particularly those that are likely to be critical to global decarbonisation, such as power plants fitted with CCS, and potential breakthrough technologies, such as electricity storage;
48. Recognises that progress in environmentally friendly, cost-effective innovations and R&D is also key to the EU's future competitiveness, including Europe's industry;
49. Calls on the Commission to provide an explicit mapping of the different funding and

financing instruments, such as the InvestEU programme, Connecting Europe (PCIs), R&D funds, structural funds, smart grid financing instruments (ERA-Net Plus), the Horizon 2020 programme (H2020), the European Investment Bank (EIB), the European Energy Programme for Recovery (EEPR), the Connecting Europe Facility - Energy (CEF-E), NER 300 and Eurogia+, and to clarify the eligibility rules for each of these programmes, while taking into account the technology neutral approach; calls on the Commission to aim to provide more balanced support and spending throughout the EU to avoid creating a technological rift between regions;

50. Instructs its President to forward this resolution to the Council and the Commission.