

New Commission brings new energy policy approach

No. 16 February 2015

By Nikola Veselinovic

In the Commission of Jean-Claude Juncker, one of its Vice-Presidents is Maroš Šefčovič, a Slovakian politician with a strong EU background, who will be leading the Energy Union team in this Commission's term. His objective will be ensure a high level of energy security within the Union, the reorganization of energy policy of the EU, and helping the Union become less dependent on fossil fuels.

With a rich political biography, he started back in 1990, in the Czechoslovakian Foreign Ministry, followed by diplomatic experience abroad. Afterwards he became a director of the Slovakian Foreign Ministry Office in 1998. The same year he began his EU career as a Deputy Head of the Slovakian mission to the EU, but only briefly, as the following year he became the Slovakian ambassador to Israel. In 2004 he returned to his EU career, as the Slovakian permanent representative to the EU in 2004. In 2009 he moved to the Commission, where he served as the European Commissioner for Education, Training, Culture and Youth until 2010, when he moved to the position of the VP for Inter-Institutional Relations and Administration, until 2014, when he was appointed to his current position within the Commission.¹

It has become clear in recent years that Europe is too dependent on fuel and gas imports. Therefore the reorganization of the energy policy was needed in addition for the change to be made. The Commission President has mentioned, in his

opening statement in the European Parliament plenary session, the need to reform and reorganise Europe's energy policy into a new European Energy Union.²

The first policy objective is to establish a European Energy Union by connecting infrastructures, reforming legislation and increasing competition in addition to boosting cooperation between Member States.³ The Union's negotiating power vis-à-vis third countries requires Member States to be united. Another priority of the Energy Union must be the completion of the internal market for energy, by implementing existing legislation; increasing competition should also help drive down costs for citizens and businesses, improve competitiveness and boost jobs and growth.

Preventing energy shortages, diversifying sources of energy imports and ensuring a united European voice in negotiations is the second objective. Europe's bargaining position must be strengthened. Simultaneously, the competition, internal market rules and EU trade law must be fully respected. In the immediate future, the major priority will be ensuring security of supply for the upcoming period, in the event of gas shortages from Russia and Ukraine.

The third policy objective involves mobilizing additional investment in power grids, renewable energy installations and other energy infrastructure. A new package of measures

is needed to implement the 2030 climate and energy framework, which will set the conditions for state aid after 2020, and for using EU funding to implement renewable energy projects and stimulate research and development. Simultaneously, the sustainability of such sources should also be considered .

The fourth objective is the improvement of energy efficiency, especially for buildings; with a binding target of 30% less energy use by 2030. Fresh ideas on energy efficiency will be needed, not only to reduce energy consumption within EU climate policy, but also as part of energy security. When it comes to energy efficiency of buildings, modernising the existing and ageing building stock offers huge potential to reduce energy consumption and the energy costs for households. Of course, the Commission must design the right conditions to make this happen, including easier access to finance and technical services. Adoption of these measures will make the goal of reaching 30% less energy use by 2030 more realistic.

The final policy goal is coordinating efforts to ensure that the EU reaches its climate and energy targets for 2020 and 2030. This goal was placed as last, because it will result from the previous four, and can be achieved only if previous objectives are fulfilled successfully. The goals are the following: 20% reduction in EU greenhouse gas emissions from 1990 levels until 2020; raising the share of EU energy consumption produced from renewable resources to 20%; and a 20% improvement in the EU's energy efficiency.⁴ The binding target for the year 2030 is to reduce EU domestic greenhouse gas emissions by at least 40% below the 1990 level.⁵

Energy Union future: next 5 years

At first glance, it is likely that the first and largest goal of creating an Energy Union will be fulfilled, however the question is - how will it work? Not

all 28 Member States are completely able to fulfill all the requirements, because renewable energy sources are expensive. However, so far the EU was rather successful in reducing its greenhouse gas emissions to 80% of the 1990 level, because they already were at 80.8% in 2012.⁶ Regarding other aspects, steps forward will be made, since one of the goals of the Energy Union is also to foster research in this field, improving the chances of achieving the goals set. As can be seen from the reduction of the greenhouse gas emissions, this kind of policy can be successful, however, in the next five years, only some of the goals will be achieved, others require a longer time frame for fulfillment. As it is the case with the plan for the Energy Union, the state aid program in this field could be first initiated in 2020. In that moment the period of five years will have passed, so one could say that there will be no breakthroughs in that period. On the other hand, the slow and steady implementation of all the necessary measures now, will surely make the whole process after 2020 easier.

Nikola Veselinovic is a current ZEI Fellow
"Class of 2015"

1. European Commission, Responsibilities of Maroš Šefčovič http://ec.europa.eu/commission/2014-2019/sefcovic_en
2. European Commission Priorities http://ec.europa.eu/priorities/docs/pg_en.pdf#page=6
3. Answers to European Parliament file:///C:/Users/User/Downloads/Answers%20to%20European%20Parliament%20questionnaire.pdf
4. European Commission, Climate Action http://ec.europa.eu/clima/policies/package/index_en.htm
5. European Commission, Climate Action http://ec.europa.eu/clima/policies/2030/index_en.htm
6. file:///C:/Users/User/Downloads/Tech%2009%202014%20Summary%20GHG%20inventory%202014.pdf