

The Energy Union – an opportunity for a strong, coordinated and cost-effective EU energy transition

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The European Commission today published its Communication on an Energy Union, together with a Communication on 'The Road to Paris' and a Communication on the electricity interconnection target of 10%.

EURELECTRIC welcomes the Commission's aim to develop the Energy Union as a single overarching framework for EU energy and climate policy. Indeed, the Energy Union should be seen as a renewed opportunity for Member States to coordinate their national policies and pool resources, delivering secure, competitively priced and sustainable energy for citizens and businesses within an integrated EU energy market.

A properly developed Energy Union should enable a cost-efficient and market-based energy transition. To this end, policies should be based on the principle of technology neutrality: generation, storage and demand response are all needed to enable the energy transition. Competition between technologies should be nurtured to keep costs down for consumers.

In addition, EURELECTRIC offers the following comments on the Commission's five main dimensions of an Energy Union:

- **Security of supply:** Security of supply can best be reached by pursuing the Internal Energy Market, relying on market mechanisms, and allowing companies to operate in a stable, credible and predictable regulatory climate. Moreover, security of supply should not be confused with self-sufficiency, in particular at national level. Regional cooperation is an important tool to deliver security of supply and should be further investigated in areas such as regional adequacy and capacity markets.
- **Market integration:** The Internal Energy Market should be at the core of the Energy Union. Governments should take political leadership to speed up the implementation of the common market and achieve integrated markets that properly value energy, flexibility and capacity.
- **Reducing demand:** Much of the potential for energy efficiency on the demand side remains untapped. Promoting innovation and market approaches to energy efficiency will allow citizens to become more active and make the most of this potential. As electricity decarbonises further, it is becoming an efficient fuel for buildings and transport.
- **Reducing carbon emissions:** The Energy Union should build on the EU ETS the cornerstone of the EU's climate policy. A strengthened EU Emissions Trading System is needed to meet the EU's greenhouse gas reduction target and drive major investment in renewables (RES) and energy efficiency in the most cost-efficient way. The Energy Union should also encourage member states to cooperate on RES and coordinate their RES policies with a view to meeting the proposed EU-level RES target of 27%. Continued RES growth should go hand in hand with further grid development, in particular at distribution level where most new RES capacity will be connected.
- **Promoting research and development:** EURELECTRIC welcomes the central role of innovation in today's Communication, including the expressed commitment to the electrification of transport, and emphasises the importance of all three dimensions of innovation: business model, process and technology innovation.

EURELECTRIC's views on the Energy Union are also set out in a [joint statement](#) with Eurogas, EPIA, and EWEA, published earlier this week, as well as a [EURELECTRIC letter](#) to Commissioner Šefčovič, Vice President for Energy Union.

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