

Procedure file

Basic information		
INI - Own-initiative procedure	2008/2239(INI)	Procedure completed
Second strategic energy review		
Subject 3.60 Energy policy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Industry, Research and Energy		24/09/2008
		ALDE LAPERROUZE Anne	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Foreign Affairs		15/07/2008
		PPE-DE DIMITRAKOPOULOS Giorgos	
	 Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2913	08/12/2008
	Transport, Telecommunications and Energy	2895	09/10/2008
European Commission	Commission DG Energy and Transport	Commissioner PIEBALGS Andris	

Key events			
23/09/2008	Committee referral announced in Parliament		
09/10/2008	Debate in Council	2895	
13/11/2008	Non-legislative basic document published	COM(2008)0781	Summary
08/12/2008	Debate in Council	2913	Summary
21/01/2009	Vote in committee		Summary
26/01/2009	Committee report tabled for plenary	A6-0013/2009	
02/02/2009	Debate in Parliament		
03/02/2009	Results of vote in Parliament		

03/02/2009	Decision by Parliament	T6-0038/2009	Summary
03/02/2009	End of procedure in Parliament		

Technical information

Procedure reference	2008/2239(INI)
Procedure type	INI - Own-initiative procedure
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Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/64700

Documentation gateway

Non-legislative basic document		COM(2008)0781	13/11/2008	EC	Summary
Document attached to the procedure		SEC(2008)2870	13/11/2008	EC	Summary
Document attached to the procedure		SEC(2008)2871	13/11/2008	EC	
Document attached to the procedure		SEC(2008)2872	13/11/2008	EC	Summary
Committee draft report		PE416.372	26/11/2008	EP	
Amendments tabled in committee		PE418.043	18/12/2008	EP	
Amendments tabled in committee		PE418.108	18/12/2008	EP	
Committee opinion	AFET	PE414.226	20/01/2009	EP	
Committee report tabled for plenary, single reading		A6-0013/2009	26/01/2009	EP	
Text adopted by Parliament, single reading		T6-0038/2009	03/02/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)1843	18/06/2009	EC	

Second strategic energy review

Article 7 paragraph (c) of the Council Regulation (EC) No 405/2003 of 27 February 2003 concerning Community monitoring of imports of hard coal originating in third countries, requires the Commission to publish regularly a report on the market for solid fuels in the Community together with a market outlook. This Commission staff working document highlights the most relevant developments on the international and European coal markets during the years 2004, 2005 and 2006 and gives, as appropriate, trends and estimates for 2007.

The main conclusions from this report are as follows:

Coal in the World: from 2004 to 2006 total world coal production increased by 16% to 5 370 million tonnes (Mt). Updated analysis of proven coal reserves indicates that, at current world production levels, there is close to 150 years of coal available. A high proportion of world coal production is consumed within the country of origin ? around 85%, and this is especially true of the two largest producers, China and the USA. Relatively small proportional changes in supply and demand in these countries can have a major impact on international market dynamics. From 2004 to 2006 world hard coal exports increased by 12 % to 815 Mt. For steam coal, the major exporting nations are Australia, Indonesia, Russia, South Africa, Colombia and China. For coking coal the major exporters are Australia, the United States and Canada. World steam coal exports rose by 11 % in from 2004 to 2006 to reach 593 Mt. Australia has retained its leading position in world exports with Indonesia second. In 2006, however, Russia overtook South Africa for third place. In 2007, world steam coal trade showed a further growth of around 4%. China became a net coal importer at the beginning of 2007 and South Africa showed some stagnation, but other producers increased their exports. World trade in coking coal decreased by 2.6% to 222 Mt in 2006. This followed growth of 8.6% in 2005 and 4.4% in 2004. Australia remained, by far, the largest exporter at 121 Mt. Further growth in crude steel production is expected for 2007 and demand for all coking coal qualities is expected to rise again.

Coal in Europe: Europe is the third largest region worldwide in terms of coal consumption, after China and the USA. Around two thirds of EU coal consumption is derived from indigenous production, with 164 million tonnes of hard coal and 454 million tonnes of lignite produced in 2006. Europe possesses substantial reserves of coal and lignite. World Energy Council figures show EU reserves of hard coal at 8.4 billion

tonnes and lignite at 20.9 billion tonnes. Additionally, resource figures are assessed at 24.4 billion tonnes and 31.0 billion tonnes respectively by IEA. The largest hard coal reserve is in Poland, with significant reserves also in the Czech Republic, and lesser reserves in Spain, Hungary, the United Kingdom and Germany. In the case of lignite, reserves are present in a swathe from Germany through Central Europe and the Balkans, to Greece. Production of hard coal has continued its decline in the EU. Production reduced by 4.7% in 2005 (EU-25) and by 5.4% in 2006 (EU-27) and is expected to continue to decline in 2007. Hard coal consumption in the EU continues to be dominated by the power sector at 69% followed by coke production at 18%. In 2005, imports of hard coal to the EU-25 reached 192 Mt and represented 53% of total supply. The major exporting countries to the EU-25 were South Africa, Russia, Australia, Colombia, Indonesia the USA and Canada. In 2006, imports of hard coal to the EU-27 were 210 Mt, representing 56% of total supply. The most significant change in import sourcing from 2004 to 2006 is the major growth in imports from Russia.

Coal prices: steam coal prices strongly fluctuated in the period 2003-2007. They strongly increased in 2003/04 and again in the second half of 2007. Spot steam coal prices reached the level of \$130 per metric tonne in December 2007 and their increasing trend continued in the first semester of 2008. Average import prices for steam coal in the EU rose less, from ? 39 per tce in the first semester 2003 till ?73 per tce in the second semester 2007. It is expected that this average price will further increase in the 1st semester of 2008. Coking coal prices also remain high by historic standards. Chinese coke prices have increased dramatically in 2007 and towards the end of the year have approached \$400/tonne fob, the highest level since May 2004.

CoalStateAid: due to unfavourable geological conditions, a part of EU indigenous hard coal production is not competitive with imported coal. After the expiry of the ECSC Treaty on 23 July 2002, the Council adopted a Regulation on State aid to the coal industry to provide a framework within which different kinds of state aid to the coal industry could be considered compatible with the EC Treaty from 24 July 2002 onwards. Over the period 2003/07 current production aid continued to decline.

Lignite: the world supply of lignite/brown coal went up by 0.9 % in 2006 and reached 913.8 Mt, following an increase of 1.3 % in 2005. Unlike the situation for hard coal, many European nations feature amongst the top producing countries. Europe is responsible for around 50% of world production, where it represents an energy resource of key importance. EU production of lignite has been fairly stable in the period from 2004 to 2006. With the inclusion of production from Romania and Bulgaria, the EU total lignite production was 454 Mt in 2006. Over 90% of lignite is used in power stations with the remainder being largely used for domestic heating, mainly in the form of briquettes. The increase in the import prices of hard coal is strengthening the competitive position of coal production especially in the lignite sector. This results in a more stable contribution to the security of energy supply.

Second strategic energy review

PURPOSE: to propose an EU energy security and solidarity action plan: Second Strategic Energy Review.

BACKGROUND: the EU's new energy and environment policy agreed by the European Council in March 2007 establishes a forward-looking political agenda to achieve the Community's core energy objectives of sustainability, competitiveness and security of supply. To make this a reality, the EU has committed to the "20-20-20" initiative: reducing greenhouse gas emissions by 20%, increasing the share of renewables in the energy consumption to 20% compared to 8.5% today and improving energy efficiency by 20%, all by 2020.

To put this into effect, in September 2007 the Commission tabled the third Internal Energy Market legislative package (see [COD/2007/0195](#), [COD/2007/0196](#), [COD 2007/0197](#), [COD/2007/0198](#) et [COD/2007/0199](#)) aimed at ensuring more effective competition and creating the conditions fostering investment, diversity and security of supply. In January 2008 it put forward a proposal to [revise the Emissions Trading Scheme \(ETS\) Directive](#) covering the period 2013-2020, a so-called "[effort-sharing](#)" decision for sectors not covered by the ETS and a [new Renewable Energy Directive](#), which will provide a secure and predictable investment climate for EU industry.

However, complementary measures are necessary to attain all three underlying objectives of the EU's new energy policy: sustainability, competitiveness and, above all, security of supply:

- energy security is an issue of common EU concern. In this context, the EU needs to take action to secure its energy future and to protect its essential energy interests. It needs to intensify its efforts in developing an effective external energy policy; speaking with one voice, identifying infrastructure of major importance to its energy security and then ensuring its construction, and acting coherently to deepen its partnerships with key energy suppliers, transit countries and consumers;
- it also needs to tap the full potential of its oceans and seas for energy generation, rapidly evolve its transport system and make real progress in terms of the interconnection of the European energy market.

CONTENT: to complete this, the Commission proposes as the core of this second Strategic Energy Review, an EU Energy Security and Solidarity Action Plan, which complements the measures tabled to date in order to ensure the achievement of all three of the EU's core energy objectives. The Commission proposes a five-point EU Energy Security and Solidarity Action Plan, focusing on:

Point 1: Infrastructure needs and the diversification of energy supplies: the Commission therefore proposes that the following six priority infrastructure actions be accepted as Community priorities:

- the development of a Baltic Interconnection Plan covering gas, electricity and storage in 2009;
- the development of a southern gas corridor for the supply of gas from Caspian and Middle Eastern sources, which could potentially supply a significant part of the EU's future needs. The feasibility of a block purchasing mechanism for Caspian gas ("Caspian Development Corporation") will be explored, in full respect of competition and other EU rules;
- sufficient liquid natural gas capacity consisting of liquefaction facilities in the producing countries and LNG terminals and ship-based regasification in the EU should be available to all Member States, either directly or through other Member States on the basis of a solidarity arrangement. In 2009 the Commission will assess the global LNG situation and identify gaps with a view to proposing an LNG Action Plan;
- the completion of a Mediterranean energy ring linking Europe with the Southern Mediterranean through electricity and gas interconnections is needed. No later than 2010, the Commission will put forward a Communication on this issue;
- North-South gas and electricity interconnections within Central and South-East Europe need to be developed as a priority;
- a Blueprint for a North Sea offshore grid should be developed to interconnect national electricity grids in North-West Europe together and

plug-in the numerous planned offshore wind projects.

The original TEN-E instrument was conceived and developed when the EU was considerably smaller, and faced energy challenges of a completely different dimension compared to today. Thus, together with this Strategic Energy Review, the Commission tables a Green Paper that launches a reflection on how the existing TEN-E instrument could be replaced by a new instrument, the EU Energy Security and Infrastructure Instrument;

Point 2: External energy relations: energy must be given the political priority it merits in the EU's international relations, including its trade policy and agreements, its bilateral partnerships, cooperation and association agreements and political dialogues. The EU should therefore use all the tools at its disposal, internal as well as external, to strengthen its collective weight with energy supply countries and to offer new kinds of broad-based partnerships. At the multilateral level, the EU should continue to press for further liberalisation of trade and investment in the energy sector.

Norway is already integrated in the internal energy market as a member of the European Economic Area. The Energy Community is building an integrated market in Southeast Europe anchored to the EU. It encompasses the internal market and security of supply legislation for electricity and gas and discussions on its extension to oil are underway. If negotiations formally starting in November are successful, the accession of Ukraine, the Republic of Moldova and Turkey to the Energy Community would catalyse their energy sector reforms and result in a mutually beneficial enlarged energy market based on common rules. A strategy on Belarus should be developed, taking account of its importance as a neighbour and transit country.

Europe should develop a new generation of "energy interdependence" provisions in broad-based agreements with producer countries outside Europe. It is important for the long term health of the energy relationship between EU and Russia that the 1997 Cooperation and Partnership Agreement be deepened and given a stronger and broader foundation. The EU-OPEC Energy Dialogue provides a forum for joint assessment of the factors affecting prices, upstream and downstream investments needed in both producer and consumer countries and the impact of technological developments.

Energy relations with Iraq and the Gulf Cooperation Council should be further developed in the field of hydrocarbons, including new areas such as clean energy technologies. Cooperation with partners such as Australia, Canada, Japan and the US as well as emerging consumer countries should be deepened to promote a common view on global energy security, to improve the transparency of global energy markets and to address the issue of sustainability. Cooperation frameworks are being developed with countries like China and India, bilaterally and multilaterally, and regions such as Latin America and the Caribbean. Cooperation is being developed with alternative supplier countries such as Brazil as a major biofuels exporter.

In 2009 the Commission will identify the concrete mechanisms necessary for ensuring transparency between Member States and the EU. The Commission will consider how best to further develop early warning systems with key neighbouring energy partners.

Point 3: Oil and gas stocks and crisis response mechanisms: to meet its energy security objectives, the EU also needs to ensure that its internal crisis mechanisms and security standards are as effective as possible. The Commission therefore proposes a revision of the [EU emergency strategic oil stocks](#) legislation to improve coherence with the International Energy Agency regime, increase the reliability and transparency of available stocks, simplify compliance and verification, and clarify emergency procedures. In order to improve oil market transparency and limit the effects of uninformed speculation, the Commission proposes that the EU now takes the step of publishing, on an aggregated basis, the level of commercial oil stocks held by EU oil companies on a weekly basis.

The Commission has also reviewed the implementation and effectiveness of the Security of Gas Supply Directive (2004/67/EC). It finds that today's legal framework could be improved. In particular, greater harmonisation of security of supply standards and predefined emergency measures on regional and EU levels are needed. As in the oil sector, EU level crisis response coordination must be improved, both among Member States and in relations with supplier and transit countries. A more suitable threshold for triggering EU action should be considered and compensation arrangements should be clarified. The Gas Coordination Group should continue developing scenarios for reacting to future possible gas supply crises. Taking into account this work and the work of the International Energy Agency and the European Regulators Group for Electricity and Gas, the Commission will consult interested parties with a view to proposing a revised Security of Gas Supply Directive in 2010.

Point 4: Energy efficiency: the Commission will evaluate the Energy Efficiency Action Plan in 2009 and prepare a more focused Action Plan, as requested by the June 2008 European Council. Together with this Strategic Energy Review the Commission therefore tables a new 2008 Energy Efficiency Package of energy efficiency initiatives to make further important progress in meeting the 20% objective: a revision of the [Energy Performance of Buildings Directive](#) and the [Energy Labelling Directive](#); an intensification of the implementation of the Ecodesign Directive; promotion of cogeneration; development of benchmarking and networking mechanisms to disseminate best practice (Covenant of Mayors); a Green Tax Package will be presented as a complement to the energy and climate change package to promote the liberalisation of energy-efficient goods and services also in the context of trade negotiations.

Cohesion Policy Funds support a vast range of activities, including energy efficiency improvements in industry, commerce, transport and public buildings, cogeneration and local energy production, innovation for sustainable energy, and training for monitoring and evaluation of energy performance. Financial instruments, including debt finance and equity funds provided by the EIB Group (e.g. through structural programme loans) and the EBRD, could allow additional funding in support of Operational Programmes.

Point 5: Making the best use of the EU's indigenous energy resources: energy produced within the EU represents 46% of the total consumed. Before the 20-20-20 initiative, this was set to fall to 36% by 2025. Implementation of the new Energy Policy would keep it at around 44% of EU consumption.

The development of renewable energy such as wind, solar, hydro, biomass energy and marine resources has to be seen as the EU's greatest potential source of indigenous energy. In the light of experience gained with the new Renewables Directive, the Commission will table a Communication "Overcoming Barriers to Renewable Energy in the EU", identifying barriers and proposing actions to redress them.

In maximising the EU's natural resources, the role of technology is crucial. Progress has already been made in its implementation, including on six European Industrial Initiatives: wind, solar, bio-energy (second generation biofuels), CCS (carbon capture, transport and storage), electricity grids and sustainable nuclear fission. The next step will be a Communication on Financing Low Carbon Technologies, which will be tabled by the Commission in 2009. It will evaluate needed resources and potential sources of funding and propose ways to support large scale demonstrations at EU level, including up to twelve CCS demonstration plants.

Lastly, as regards nuclear energy, it is for each Member State to choose whether or not to invest in nuclear energy but the nuclear safety and

security framework applied everywhere in the EU is of common interest. It must be clear that the EU maintains the highest safety, security, non-proliferation and environmental protection standards for nuclear generation. The EU therefore needs to develop a common legislative framework with respect to the safety of nuclear installations and the management of nuclear waste

Towards a vision for 2050: the Commission will propose to renew the Energy Policy for Europe in 2010 with a view to charting a policy agenda for 2030 and a vision for 2050. It will result from a wide consultation to examine possible longer-term objectives such as:

- decarbonising the EU electricity supply by 2050;
- ending oil dependence in transport;
- low energy and positive power buildings;
- a smart interconnected electricity network;
- promoting a high-efficiency, low-carbon energy system throughout the world.

In order to move forward on this, the Commission will prepare in the framework of the Strategic Energy Technology Plan, a Roadmap towards a 2050 Energy Policy of actions to be taken, in dialogue with Member State officials, academics and industry experts, in order to facilitate, where justified, their large-scale implementation.

Second strategic energy review

This Commission staff working document accompanies the Commission's Second Strategic Energy Review – an EU energy security and solidarity action plan.

The document states that Europe needs to act now to deliver sustainable, secure and competitive energy. The interrelated challenges of climate change, security of energy supply and competitiveness are multifaceted and require a profound change in the way Europe produces, delivers and consumes energy. Harnessing technology is vital to achieve the Energy Policy for Europe objectives adopted by the European Council on 9 March 2007.

It provides a comparative analysis of energy sources, production costs and performance of technologies for power generation, heating and transport for use in the Second Strategic EU Energy Review (SEER). It builds upon the work performed for the first Strategic EU Energy Review and relies on the capacity of SETIS, the information system of the European Strategic Energy Technology Plan (SET-Plan). The comparative Tables presented in the previous SEER exercise have been updated. The portfolio of technologies considered for the power sector has been also expanded to include carbon capture power plants, a large scale oil fired plant and an additional biomass conversion route.

In addition, two fuel price scenarios have been considered to reflect variations in the future price of energy commodities. All reported values in the Tables for electricity generation, heating and transport fuels have been calculated following a consistent methodology, hence they are directly comparable. The calculations rely on up-to-date available data and information on energy conversion technology performance.

This report consists of two parts.

- Part I includes the three Tables for use in the 2nd SEER.
- Part II provides a comprehensive description of the implemented methodology and includes the technology-related data used for the calculations, accompanied by a reference list.

Second strategic energy review

The Council held a public policy debate on energy security, in connection with the second Strategic Energy Review submitted by the Commission. The President of the European Investment Bank, Mr Philippe Maystadt, also took part in the discussion and gave explanations on the funding planned by the Bank in the following areas: renewable energy, energy efficiency, research into new energy technologies and energy security.

To structure the debate, ministers were asked to give their views on questions prepared by the Presidency which related in particular to infrastructure, solidarity, dialogue with third countries and energy efficiency.

Following the discussions, the President of the Council stressed the following factors in particular:

- energy efficiency is the first priority and the new package also includes significant progress in that area;
- Europe needs energy which is clean, affordable, available in the event of crisis and sustainable over the long term. The recent lowering of the price of energy must not allow us to forget our vulnerability over the long term and the need to increase our efforts to control demand and security of supply;
- research and development of all low-carbon energies: renewable, wind and solar energy, marine energy and biomass, but also carbon capture and storage;
- each Member State is free to choose whether or not to use nuclear energy, which today accounts for one third of electricity production in Europe. In this respect the Commission proposals, with the Illustrative Nuclear Programme, the [proposal for a Directive](#) on nuclear safety and work on waste management, are essential;
- the importance of developing new infrastructures, especially with regard to remote areas and particularly the Baltic States and island States: the North-South connections; the development of the southern corridor to the resources of the Caspian Sea, the Mediterranean electricity and gas ring and liquefied natural gas.

The ministers' speeches will contribute to preparation of the Council conclusions and the spring 2009 European Council.

Second strategic energy review

The Committee on Industry, Research and Energy adopted the report by Anne LAPPERROUZE (ALDE, FR) on the Second Strategic Energy Review, noting that any European energy policy must pursue the following objectives: security of supply and solidarity among Member States, tackling climate change including a strong commitment to and implementation of the Union's own targets, and competitiveness.

MEPs call on Member States to regard this strategic energy review as a basis for implementing an energy policy for Europe and setting an ambitious action plan for 2010-2012.

In this context, they call on the Commission and Member States to: (i) become the most energy-efficient economy in order to actively contribute to the achievement of the 2°C climate objective; (ii) reduce greenhouse gas emissions by 60 to 80% by 2050; (iii) adopt as objectives a 35% improvement in energy efficiency and a 60% share of renewable energy. As for the Commission, it is called upon to: (i) draw up possible energy scenarios, in consultation with all the stakeholders, illustrating ways in which these objectives may be reached and setting out the underlying technical and economic hypotheses; (ii) support all planned investments in new import energy infrastructure and renewable energy technologies.

MEPs stress that saving energy is "the most effective and cost-efficient way of improving energy security", and therefore call on the Commission and Member States immediately to adopt a legally binding energy efficiency improvement target of at least 20% by 2020. The two other "2020" targets - reducing greenhouse gas emissions by 20% and increasing the share of renewable energy to 20% - are already fixed by the EU's climate change legislation.

National and EU emergency action plans: MEPs call on the Commission to propose revising the 2004 Security of gas supply directive before the end of this year. The committee wants this revision to include "mandatory and effective national and EU emergency action plans" providing for:

- a common declaration of an emergency situation;
- the allocation of available supplies and infrastructure capacity among the affected countries;
- co-ordinated dispatching; and
- the activation of emergency measures in unaffected or less affected states in order to increase the amount of gas available to the affected markets.

MEPs also stress that the EU should develop gas storage with fast-release capacity and that a single European gas grid should be established linking up all EU Member States. According to the report, "gas and electricity interconnections through Central and South-eastern Europe along a north-south axis" should be developed and especially the Baltic Sea region needed to be integrated into the Western European network.

New partnership agreement needed with Russia: MEPs stress that, even with the help of ambitious energy saving plans, the EU is likely to still be dependent on third countries for supplies of fossil energy in the medium term. The report points out that EU currently imports 50% of the energy it consumes - a proportion which could rise to 70% by 2030.

MEPs support the intention to negotiate a wide-ranging new agreement replacing the 1997 Partnership and Cooperation Agreement with Russia, which supplies 42% of the Union's imported gas, as well as 100% of the gas imported by Bulgaria, Slovakia, Finland and the Baltic States, over 30% of crude oil imports to the Union and 15% of distillate product demand in the Union.

More pipelines and liquefied natural gas terminals: the committee also supports projects to diversify supply routes, such as the Nabucco, Turkey-Greece-Italy (TGI), and South Stream pipelines. It considers it of great importance that in the longer term, when political conditions permit, supplies from other countries in the region, such as Uzbekistan and Iran, should represent a further significant source of supply for the European Union.

Moreover, MEPs stress that sufficient liquefied natural gas (LNG) capacity consisting of liquefaction facilities in the producing countries and LNG terminals and ship-based regasification in the EU should be available to all Member States, either directly or through other Member States on the basis of a solidarity mechanism.

Nuclear power: MEPs support the Commission's analysis that it is important to maintain the contribution of nuclear energy in the energy mix, and to that end to promote without delay the establishment of a harmonised regulatory and economic framework facilitating the necessary investment decisions. In this context, they call on the Commission to draw up a specific road map for nuclear investments.

Lastly, MEPs stress that nuclear energy is to be used "at the highest technologically possible level of safety", adding that the EU's neighbouring countries, too, should adopt European nuclear safety standards every time a new nuclear plant is planned or an old one is upgraded. In this context, they call on the Commission and the Council to develop models and procedures jointly with the International Atomic Energy Agency (IAEA) to prevent the peaceful use of nuclear energy leading to the proliferation of nuclear weapons.

Second strategic energy review

The European Parliament adopted by 406 votes to 168, with 187 abstentions, a resolution calling on Member States to regard the second strategic energy review as a basis for implementing an energy policy for Europe and setting an ambitious action plan for 2010-2012.

MEPs stress that any European energy policy must pursue three principal and equally important objectives in an integral manner, namely security of supply and solidarity among Member States, tackling climate change including a strong commitment to and implementation of the Union's own targets, and competitiveness. In this context, MEPs call on the EU and the Member States to become the most energy-efficient economy in order to actively contribute to the achievement of the 2°C climate objective and reduce greenhouse gas emissions by at least 80% by 2050.

The European Parliament strongly believes that reducing energy consumption is the absolute priority with a view to achieving sustainable development, innovation, job creation and competitiveness objectives. It calls on the Commission and the Member States to make the 20% energy saving target by 2020 legally binding on Member States and to propose and implement consistent measures to secure its achievement. Moreover, it calls on the EU and the Member States to adopt as objectives a 35% improvement in energy efficiency and a 60% share of renewable energy by 2050. The Commission is also called upon to support all planned investments in new import energy infrastructure and renewable energy technologies.

European energy policy: in the light of the growing risks which the European Union is running in terms of energy security, the European Parliament calls on the Member States to speak with a single voice and on the Commission to draw up a European energy policy which has due regard for the respective competences of the European Union and of the Member States. According to MEPs, an appropriate European energy policy must be founded on a balanced energy mix based on the use of non-carbon energy and the lowest emitting fossil fuels and on new technologies which drastically reduce emissions of greenhouse gases from solid fossil fuels. MEPs welcome the European Union energy security and solidarity action plan and believe that Member States should develop national strategies to tackle the issue of energy poverty within their territory.

Promoting the infrastructure required to meet EU needs: the resolution notes a very significant delay in the building of the priority and European-interest transport and energy networks and therefore calls on national regulatory authorities to do whatever they can within their fields of decision-making to accelerate investment.

The Parliament expresses its support for projects to diversify sources and routes of supply, particularly the development of a southern gas corridor including the Nabucco, the Turkey-Greece-Italy Gas Interconnector (TGI), and South Stream projects. It stresses the need to work with the countries concerned, notably in the Caspian region and considers it of great importance that in the longer term, when political conditions permit, supplies from other countries in the region, such as Uzbekistan and Iran, should represent a further significant source of supply for the European Union. The resolution also stresses the importance of the development of gas and electricity interconnections through Central and South-Eastern Europe along a north-south axis, recalling that the networks in the Baltic sea region should be developed and integrated into the Western European network.

MEPs consider that relations and partnerships with key energy suppliers, transit countries and consumer countries are important and must be deepened. They call for a trilateral agreement between the EU, Russia and Ukraine concerning the transit of gas from Russia to the EU to guarantee security of supply in the coming years. Moreover, they consider that sufficient liquefied natural gas (LNG) capacity consisting of liquefaction facilities in the producing countries and LNG terminals and ship-based regasification in the Union should be available to all Member States, either directly or through other Member States on the basis of a solidarity mechanism.

Internal energy market: the Parliament calls on the Commission and the Member States to draw up strategic guidelines intended for lasting application, while encouraging private industrial undertakings to participate in their implementation, striking a balance between market mechanisms and regulation. It stresses the importance of creating a clear and stable legal framework by finalising before the end of the Parliament's legislature in 2009 the negotiations on the legislative package on the internal energy market.

The resolution calls on the Member States to cooperate to draw up a European strategic plan with a view to multiannual programming of the investment necessary to meet future electricity generation needs and believes that an indicative multiannual plan should also be envisaged in the gas sector to provide an overall view of investment requirements at European level.

External energy relations: the Parliament calls on the Commission to support the inclusion of the so-called "energy security clause" in trade, association and partnership as well as cooperation agreements with producer and transit countries, which would lay down a code of conduct and prohibition of disruption due to commercial disputes, and explicitly outline measures to be taken in the event of unilateral disruption, or any change in the terms of the contract or in the terms of supply by one of the partners.

The resolution calls on the EU to cooperate with the countries of the Mediterranean region (including North Africa) and with the countries of the Middle East in view of their significant energy resource potential. It also supports the intention to negotiate a wide-ranging new agreement replacing the 1997 Partnership and Cooperation Agreement with Russia, including the Chapter on Energy, which should fully respect the principles of the Energy Charter Treaty and its transit protocols. In this context, MEPs stress the need to include Ukraine in the European arrangements for ongoing dialogue with Russia on account of the key role which Ukraine plays as a transit country.

Moreover, the Commission is called upon to consider extending the Energy Community Treaty between the European Union and South-Eastern Europe to other third countries and to create new regional energy markets with neighbouring countries on the model of the South East Europe Energy Community, including for example, the Euro-Mediterranean Energy Community.

Ways of responding to crises: in the light of the recent gas crisis between Ukraine and Russia that afflicted the Union's territory, the resolution calls on the European Commission to propose, by the end of 2009, a revision of Council Directive 2004/67/EC concerning measures to safeguard security of natural gas supply. According to MEPs, this revision should contain mandatory and effective national and EU emergency action plans, which, among other things, define:

- a common declaration of an emergency situation;
- allocation of available supplies and infrastructure capacity among the affected States;
- coordinated dispatching;
- activation of emergency measures in unaffected or less affected States in order to increase the amount of gas available to the affected markets.

Indigenous resources and nuclear energy: MEPs believe that renewable energies, such as wind, biogas, solar, hydro, biomass, geothermal and marine resources, are the most important potential sources of energy available to the European Union, which can help to stabilise energy prices and combat increasing energy dependence. Exploiting indigenous fossil resources, particularly onshore and off-shore natural gas fields, may contribute to enhancing Europe's energy independence and must be developed where available.

The Parliament endorses the Commission's analysis that it is important to maintain the contribution of nuclear energy in the energy mix, and to that end to promote without delay the establishment of a harmonised regulatory and economic framework facilitating the necessary investment decisions. The Commission is therefore called upon to draw up a specific road map for nuclear investments.

MEPs consider it essential to reassure the Union's citizens that nuclear energy is used safely and transparently, and at the highest technologically possible level of safety, particularly as regards the management of nuclear waste. In this context, they stress the need for the adoption by neighbouring countries of the *acquis communautaire* in nuclear safety every time a new nuclear plant is planned or an old plant is upgraded in these countries. They also call on the Commission and the Council to develop models and procedures jointly with the IAEA to prevent the peaceful use of nuclear energy leading to the proliferation of nuclear weapons.