Procedure file

Basic information

INI - Own-initiative procedure	2014/2153(INI)	Procedure rejected
European energy security strategy Subject 3.60.10 Security of energy supply		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		16/09/2014
		epp SAUDARGAS Algirdas	
		Shadow rapporteur	
		S&D POCHE Miroslav	
		ECR FOX Ashley	
		PETERSEN Morten	
		JÁVOR Benedek	
		EFD TAMBURRANO Dario	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs		22/09/2014
		S&D LIETZ Arne	
	INTA International Trade		
	ENVI Environment, Public Health and Food Safety		
	IMCO Internal Market and Consumer Protection		24/09/2014
		HYUSMENOVA Filiz	
Council of the European Union	Council configuration	Meeting	Date
	Foreign Affairs	3382	20/04/2015
European Commission	Commission DG	Commissioner	
	Energy	ARIAS CAÑETE Miguel	

Key events

28/05/2014	Non-legislative basic document published	COM(2014)0330	Summary
24/11/2014	Committee referral announced in Parliament		
20/04/2015	Debate in Council	3382	

07/05/2015	Vote in committee		
18/05/2015	Committee report tabled for plenary	A8-0164/2015	Summary
09/06/2015	Debate in Parliament		
10/06/2015	Results of vote in Parliament		
10/06/2015	Decision by Parliament		Summary
10/06/2015	End of procedure in Parliament		

Technical information

Procedure reference	2014/2153(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure rejected
Committee dossier	ITRE/8/01750

Documentation gateway

Non-legislative basic document		COM(2014)0330	28/05/2014	EC	Summary
Committee draft report		PE541.614	11/12/2014	EP	
Amendments tabled in committee		PE546.739	03/02/2015	EP	
Amendments tabled in committee		PE549.090	03/02/2015	EP	
Amendments tabled in committee		PE549.091	03/02/2015	EP	
Committee opinion	IMCO	PE544.472	18/03/2015	EP	
Committee opinion	AFET	PE549.118	24/03/2015	EP	
Committee opinion	ENVI	PE544.302	30/03/2015	EP	
Committee opinion	INTA	PE546.894	16/04/2015	EP	
Committee report tabled for plenary, single reading		A8-0164/2015	18/05/2015	EP	Summary

European energy security strategy

PURPOSE: to present a European strategy in order to address energy security issues.

BACKGROUND: the European Union's prosperity and security hinges on a stable and abundant supply of energy. However, too often energy security issues are addressed only at a national level without taking fully into account the interdependence of Member States. In the winters of 2006 and 2009, temporary disruptions of gas supplies strongly hit EU citizens in some of the eastern Member States, pointing to the need for a common European energy policy.

The EU remains vulnerable to external energy shocks. Estimates show that :

- the EU imports 53% of the energy it consumes. Energy import dependency relates to crude oil (almost 90%), to natural gas (66%), and to a lesser extent to solid fuels (42%) as well as nuclear fuel (40%);
- energy security of supply concerns every Member State, even if some are more vulnerable than others, such as the Baltic and Eastern Europe ;
- six Member States depend from Russia as single external supplier for their entire gas imports. For electricity, three Member States (Estonia, Latvia and Lithuania) are dependent on one external operator for the operation and balancing of their electricity network;

- the EU external energy bill represents more than EUR 1 billion per day and more than a fifth of total EU imports. The EU imports more than EUR 300 billion of crude oil and oil products, of which one third comes from Russia ;
- EU energy security has also to be seen in the context of growing energy demand worldwide, which is expected to increase by 27% by 2030.

The Commission considers that the EU needs, therefore, a hard-headed strategy for energy security which promotes: (i) in the short-term, resilience to these shocks and disruptions to energy supplies and (ii) in the long term, reduced dependency on particular fuels, energy suppliers and routes.

CONTENT: the Strategy is an integral part of the 2030 policy framework on climate and energy and also fully consistent with our competitiveness and industrial policy objectives.

It sets out areas where decisions need to be taken or concrete actions implemented in the short, medium and longer term to respond to energy security concerns.

It is based on eight key pillars underpinned by the principle of solidarity that together promote closer cooperation beneficial for all Member States while respecting national energy choices.

1) Immediate actions aimed at increasing the EU's capacity to overcome a major disruption during the winter 2014/2015.

- In view of current events in Ukraine and the potential for disruption to energy supplies, short term action must focus on those countries that are dependent on one single gas supplier. For the winter ahead, the Commission will work together with Member States, regulators, transmission systems operators and operators to improve the Union's immediate preparedness in respect of possible disruptions.

2) Strengthening emergency/solidarity mechanisms including coordination of risk assessments and contingency plans and protecting strategic infrastructure.

- The Commission proposes to strengthen mechanisms intended to ensure security of supply and see that strategic infrastructures are protected. It will propose to Member States and industry new contingency coordination mechanisms and plans to deliver energy to countries in times of need, based on risk assessments (energy security stress tests). The immediate focus should be on all Member States on the eastern border of the EU.

3) Moderating energy demand.

- Member States should speed up measures to achieve the 2020 energy efficiency target, focusing on heating and insulation in particular in buildings and industry, notably through: (i) reinforced regulatory and public financial support to accelerate the renovation rate of buildings; (ii) promotion of energy services and demand response with new technologies, for which EU financial support, in particular ESI Funds, can complement national financing schemes. For its part, the Commission will review the Energy Efficiency Directive and identify clear priority sectors (in housing, transport and industry) in which energy efficiency gains can be achieved in the medium to long term.

4) Build a well-functioning and completely integrated internal market.

- Member States should complete the transposition of internal energy market legislation as foreseen by the end of 2014, notably as regards, unbundling rules, reverse flows and access to gas storage facilities. It would also be appropriate to intensify discussions on the Energy Taxation Directive to reduce the tax incentives for diesel and consider a favourable taxation for alternative fuels. Transmission System Operators must speed up the implementation of the network codes for gas and electricity.

5) Increasing energy production in the European Union.

- Member States should: (i) continue the deployment of renewable energy sources in order to achieve the 2020 target in the context of a market-based approach; (ii) initiate the Europeanization of renewable energy support systems through improved coordination of national support schemes; (iii) accelerate fuel switch in the heating sector to renewable heating technologies; (iv) facilitate access to finance for renewable projects on all levels ; (v) exploit, where this option is chosen, hydrocarbons and clean coal taking into account the decarbonisation priorities.

6) Developing energy technologies.

- New technologies are needed to further reduce primary energy demand, diversify and consolidate supply options (both external and indigenous), and to optimise energy network infrastructure. The Commission will mainstream energy security in the implementation of the priorities of the Horizon 2020 Framework Programme for Research and Innovation (2014-2020).

7) Diversifying external supplies and related infrastrucutre.

- Accessing more diversified natural gas resources is a priority whilst maintaining significant import volumes from reliable suppliers. The Commission will pursue an active trade agenda ensuring access to natural gas/LNG exports and limiting trade distortive practices. The Commission and Member States should jointly support the development and further expansion of gas supply infrastructure with Norway, the Southern Gas Corridor as well as the Mediterranean gas hub. They must also cooperate to diversify supply of nuclear fuel when needed.

8) Improving coordination of national energy policies and speaking with one voice in external energy policy.

- The Commission welcomes the calls made by certain Member States in favour of an Energy Union. It supports the creation of a mechanism that would enable Member States to inform each other of important decisions related to their energy mix prior to their adoption. Within the EUs closer neighbourhood, the goal must remain to engage all partners at all levels in order to enable their close integration into the EU energy market. Lastly, the Commission recommends a systematic use of foreign policy instruments, such as the consistent inclusion of energy issues in political dialogues particularly summits, with strategic partners.

European energy security strategy

The Committee on Industry, Research and Energy adopted an own-initiative report by Algirdas SAUDARGAS (EPP, LT) on the European Energy Security Strategy, in response to the Commission communication on the same subject.

Towards a European Energy Union: whilst welcoming the Commission communication, Members considered that equal energy security, competitiveness and sustainability in a fully integrated energy market constitute the main pillars for the creation of an Energy Union, which can be achieved by:

- moderating and reducing energy demand,
- developing and integrating sustainable energy sources,
- pooling resources,
- connecting networks,
- reducing distance between interdependent production chains,
- developing smart grids,
- ensuring unified energy market regulation,
- favouring access to a sufficient amount of energy for every citizen,
- establishing unified negotiating positions vis-à-vis third countries through strengthened measures at EU level and more cohesive and better coordinated national policies and action.

The Energy Union, in addition to ensuring security of supply, should adopt a comprehensive approach focusing on key dimensions such as: (i) achievement of a fully integrated internal energy market, (ii) moderation of energy demand, (iii) decarbonisation of the energy mix (essentially based on renewable energy sources), and (iv) research and innovation aimed at leadership in energy technologies. European citizens should be at the core of the Energy Union and should be provided with secure, sustainable and affordable energy sources.

The concept of an Energy Union should be truly pan-European, encompassing both the EU and at least the Contracting Parties of the Energy Community. The creation of an Energy Union must be accompanied by a comprehensive industrial strategy, in the area of energy efficiency and renewable energies in particular, that is capable of contributing to the EUs reindustrialisation.

Moderating energy demand: given that the EU is not yet on track to meet its target of saving 20% of energy (371 Mtoe) by 2020, Members called on the Commission to strictly enforce the already adopted energy efficiency legislation and to remove the remaining barriers to energy efficiency measures, and to develop a genuine market in energy efficiency in order to foster transfer of best practices and ensure availability of products and solutions throughout the EU with aim of building a true single market in energy efficiency products and services.

Members stated that it is necessary to increase both the depth and the rate of building renovation and the use of sustainable energy sources in heating and cooling, through the right incentives in order to reduce energy demand; recommends the continuation of increasing energy efficiency standards for buildings taking account of and encouraging technical innovation.

Local authorities of European cities could significantly contribute to energy efficiency through cogeneration, modernisation of district heating systems, increasing the use of cleaner public transport, encouraging more active travel models and renovation of buildings.

The Commission is urged to:

- propose new legislation including a framework of targeted financial incentives and legal obligations to ensure a minimum, cost-optimal annual deep renovation rate for all eligible existing buildings of at least 3%;
- launch an awareness-raising campaign for European citizens on how to reduce energy consumption in households by easy and cost-efficient methods;
- develop a comprehensive strategy for transport electrification within the Energy Union;
- submit proposals for a strong 2030 energy efficiency governance.

Increasing indigenous energy production: the report stressed that the EU should develop an action plan and further promote a long-term strategy for increasing security of supply, which must include the development of sustainable indigenous energy sources, notably renewables, within the EU. The EU should consider the development of any energy source that might contribute to EUs energy security.

Members stressed that the effective use of research and technological innovations fosters the leadership of European industry and strengthens the competitive advantage and commercial viability of European business and industry, creates jobs while contributing to the main EU energy and climate policy goals. European technologies in the energy sector are of the utmost importance for energy security as they reduce energy dependence, diversify and consolidate supply options through full exploitation of indigenous energy sources, and optimise energy network infrastructure and increase energy efficiency in the medium and long term and combat energy poverty.

Towards a fully integrated internal energy market: the report demanded that the Commission act decisively and transparently against all instances of protectionism, anti-competitive behaviour and barriers to market entry and exit. It underlined the positive impact that market integration has had on wholesale prices, and ultimately on retail prices, in the electricity sector, allowing more affordable energy to be made available to citizens.

The Commission is called upon to actively support the Member States in achieving the network and system interconnectivity objectives and to ensure that appropriate EU financing is available in this regard. The report noted that the level of gas infrastructure development is not spread evenly across the EU. It stressed that Member States in the Baltic and in central-eastern, south-eastern and western Europe require investments to ensure full integration of infrastructure and reduce their vulnerability to disruption from single or dominant energy suppliers.

Members welcomed the European Councils proposal that electricity system interconnectivity must be ensured by integrating all the Member States into the European Continental Networks, as well as its proposal for a minimum level of electricity interconnection between Member States of 10% by 2020 and 15% by 2030. They asked for the establishment of gas interconnection targets too and called on the Commission to propose a concrete action plan to meet these targets. Moreover, there is an urgent need for effective and consistent implementation and application of the provisions set out in the Third Energy Package.

Diversifying external supply: the report stressed that dependence on one single supplier of energy resources, with the resulting vulnerability and lack of competition, can impede economic growth and endanger security at national and EU level.

In this regard, Members believe that Russia can no longer be considered a reliable partner as it explicitly questions EU law and uses energy supply for political purposes. The diversification of routes must be directed towards reliable suppliers, and that supply agreements should in

any case foresee clear, effective and easily applicable obligations and penalty clauses. They also stated that more attention should be given to the development of the gas supply infrastructure and new LNG terminals as well as to a more efficient use of existing infrastructure.

The report affirmed the overarching principle of solidarity between all Member States, stressing that security of energy supply is a matter of collective action and concerns all Member States, despite differing scales of vulnerability to supply shocks. The Commission is invited to analyse the potential structure and appropriateness of a collective purchasing mechanism.

Lastly, Members stressed the need to enhance the EUs ability to speak with one voice in order to deliver a more coherent energy diplomacy in partner countries and in multilateral forums.

European energy security strategy

The European Parliament rejected in plenary, by 277 votes to 315, with 111 abstentions, the motion for a resolution on the European Energy Security Strategy, in response to the Commission communication on the same subject. A simple majority was required.