

Procedure file

Basic information		
INI - Own-initiative procedure	2015/2113(INI)	Procedure completed
Towards a European energy union		
Subject 3.60 Energy policy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 ITRE Industry, Research and Energy	 GRÓBARCZYK Marek Józef	26/03/2015
		Shadow rapporteur	
		 GYÜRK András	
		 ZANONATO Flavio	
		 PETERSEN Morten	
		 TURMES Claude	
		 TAMBURRANO Dario	
	Committee for opinion	Rapporteur for opinion	Appointed
	 AFET Foreign Affairs	 ASSIS Francisco	22/07/2015
 INTA International Trade		06/05/2015	
	 BUCHNER Klaus		
 ENVI Environment, Public Health and Food Safety (Associated committee)		15/04/2015	
	 BELET Ivo		
 IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.		
 TRAN Transport and Tourism		26/03/2015	
	 VIRKKUNEN Henna		

Key events

25/02/2015	Non-legislative basic document published	COM(2015)0080	Summary
21/05/2015	Committee referral announced in Parliament		
21/05/2015	Referral to associated committees announced in Parliament		
10/11/2015	Vote in committee		
24/11/2015	Committee report tabled for plenary	A8-0341/2015	Summary
14/12/2015	Debate in Parliament		
15/12/2015	Results of vote in Parliament		
15/12/2015	Decision by Parliament	T8-0444/2015	Summary
15/12/2015	End of procedure in Parliament		

Technical information

Procedure reference	2015/2113(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/8/03374

Documentation gateway

Non-legislative basic document		COM(2015)0080	25/02/2015	EC	Summary
Committee draft report		PE557.042	29/04/2015	EP	
Amendments tabled in committee		PE560.739	19/06/2015	EP	
Amendments tabled in committee		PE560.740	19/06/2015	EP	
Amendments tabled in committee		PE560.750	19/06/2015	EP	
Amendments tabled in committee		PE557.382	23/06/2015	EP	
Committee opinion	TRAN	PE554.970	14/07/2015	EP	
Committee opinion	AFET	PE565.044	16/09/2015	EP	
Committee opinion	ENVI	PE557.259	18/09/2015	EP	
Committee opinion	INTA	PE560.712	24/09/2015	EP	
Amendments tabled in committee		PE569.629	19/10/2015	EP	
Committee report tabled for plenary, single		A8-0341/2015	24/11/2015	EP	Summary

reading					
Text adopted by Parliament, single reading		T8-0444/2015	15/12/2015	EP	Summary
Commission response to text adopted in plenary		SP(2016)190	03/05/2016	EC	

Towards a European energy union

PURPOSE: to present a framework strategy for an Energy Union with a forward-looking climate change policy.

BACKGROUND: latest data shows that the EU imported 53% of its energy at a cost of around EUR 400 billion, which makes it the largest energy importer in the world. Six Member States depend on a single external supplier for their entire gas imports and therefore remain too vulnerable to supply shocks.

Wholesale electricity prices for European countries are at low levels, though still 30% higher than in the US. At the same time, post-tax electricity prices for households increased on average by 4.4% from 2012 to 2013. Wholesale gas prices are still more than twice as high as in the US

European renewable energy businesses have a combined annual turnover of EUR 129 billion and employ over a million people. EU companies have a share of 40% of all patents for renewable technologies. The challenge is to retain Europe's leading role in global investment in renewable energy.

Over EUR 1 trillion need to be invested into the energy sector in EU by 2020 alone.

Today, the European Union has energy rules set at the European level, but in practice it has 28 national regulatory frameworks. This cannot continue.

The Commission considers that the EU should view the current low oil and gas prices, while they last, as an historic opportunity to reset the EU's energy policy in the right direction: that of an Energy Union.

CONTENT: the Energy Union strategy proposed by the Commission has five mutually-reinforcing and closely interrelated dimensions designed to bring greater energy security, sustainability and competitiveness.

1) Energy security, solidarity and trust: Member States should be assured that in situations of tight supply, they can rely on their neighbours. Solidarity among Member States, in particular in times of supply crisis, has to be strengthened.

EU action should include:

- diversification of supply (energy sources, suppliers and routes): the EU needs to diversify its supply of gas and make it more resilient to supply disruptions. The Commission will propose a resilience and diversification package for gas in 2015-2016 by revising the existing security of gas supply Regulation. It will prepare a comprehensive strategy for liquid natural gas (LNG) and its storage;
- working together on security of supply: the Commission will propose preventive and emergency plans at regional and EU level. It will assess options for voluntary demand aggregation mechanisms for collective purchasing of gas during a crisis and where Member States are dependent on a single supplier;
- stronger European role in global energy markets, through negotiating agreements with countries that are important from a security of supply perspective, and revitalising European energy and climate diplomacy;
- more transparency on gas supply, when EU States conclude agreements related to the buying of energy from third countries. The Commission will propose a revision of the Decision on Intergovernmental Agreements in 2016 to ensure compatibility with EU legislation before agreements are negotiated, involve the Commission in such negotiations, develop standard contract clauses covering EU rules.

2) A fully-integrated internal energy market: the Commission will use all available policy instruments and insist that Member States fully implement and enforce the 3rd Internal Energy Market Package, and ensure strict enforcement of the Treaty's competition rules.

Actions will include:

- support for the implementation of major infrastructure projects, particularly the Projects of Common Interest, through the available financial means, e.g. the [Connecting Europe Facility](#), the [European Structural and Investment Funds](#) and the future [European Fund for Strategic Investments](#). The Commission will submit an annual report on the progress towards the 10% electricity interconnection target;
- creating a dedicated Energy Infrastructure Forum to discuss progress on major infrastructure projects;
- the creation of an internal market for energy to ensure security of supply and the integration of renewable energy sources into the market. The Commission will propose (i) legislation on security of supply for electricity in 2016; (ii) a new European electricity market design in 2015, which will be followed by legislative proposals in 2016.
- strengthening the regulatory framework set-up by the 3rd Internal Energy Market Package;
- development of regional approaches to market integration as an important part of the move towards a fully integrated EU-wide energy market;;
- greater transparency on energy costs and prices as well as on the level of public support. At the national and local levels, action should be taken to protect vulnerable consumers through social policies. The Commission will continue to push for standardisation and to support the national roll-out of smart meters.

3) Energy efficiency as a contribution to the moderation of energy demand: the European Council set in October 2014 an indicative target at the EU level of at least 27% for improving energy efficiency in 2030. This will be reviewed by 2020, having in mind an EU level of 30%. It is in this context necessary to fundamentally rethink energy efficiency and treat it as an energy source in its own right, representing the value of energy saved.

In 2015 and 2016, the Commission will review all relevant energy efficiency legislation and will propose revisions, where needed, to underpin the 2030 target. It will set out initiatives aiming to:

- increase energy efficiency in the existing buildings sector to make them more energy efficient, and proposing a strategy for facilitate investment in heating and cooling;
- speed up energy efficiency and decarbonisation in the transport sector, its progressive switch to alternative fuels and the integration of the energy and transport systems.

4) Decarbonisation of the economy: the EU agreed a climate and energy framework for 2030 at the European Council in October 2014 which now needs to be implemented. The EU will provide an ambitious contribution to the international climate negotiations. It has also agreed the target of at least 27% at EU level for renewable energy by 2030.

The EU is committed to becoming the world leader in renewable energy, the global hub for developing the next generation of technically advanced and competitive renewable energies. In this context, the Commission intends to propose:

- legislation to achieve the greenhouse gas reduction target agreed at the October 2014 European Council both in the Emissions Trading System and in the sectors outside the Emissions Trading System;
- a new Renewable Energy Package in 2016-2017. This will include a new policy for sustainable biomass and biofuels as well as legislation to ensure that the 2030 EU target is met cost-effectively.

4) Research, innovation and competitiveness: the EU needs to develop a forward-looking, energy and climate-related R&I strategy to maintain European technological leadership and expand export opportunities. The Commission:

- will propose a European energy R&I approach, comprising an upgraded Strategic Energy Technology Plan and a strategic transport R&I agenda, with a limited number of essential priorities and clear objectives, in 2015-2016;
- will develop an initiative on global technology and innovation leadership on energy and climate to boost jobs and growth.

The Commission invites the European Parliament and Council to endorse this strategy to deliver the Energy Union and to actively engage in its implementation, in close cooperation with all relevant stakeholders.

Towards a European energy union

The Committee on Industry, Research and Energy adopted the own-initiative report by Marek Józef GRÓBARCZYK (ECR, PL) in response to the presentation by the Commission of a Framework Strategy for a European Energy Union.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogatives as an associated committee under [Article 54 of the Parliaments internal Rules of Procedure](#), was also consulted for an opinion on the report.

Dimensions of the Energy Union: Members took note of the five pillars of the Energy Union outlined by the Commission and stressed that the Energy Union should adopt a comprehensive approach focusing on dimensions such as:

- achievement of a fully integrated internal energy market,
- security of supply,
- best use of EU's energy resources,
- moderation of energy demand,
- greenhouse gas reduction based essentially on renewable energy sources and an EU-wide carbon market,
- research and innovation aiming for energy technology leadership;
- the possibility for citizens to be provided with secure, sustainable and affordable energy.

Member States should develop long-term energy strategies in the light of the long-term target of achieving an 80-95% reduction of greenhouse gases by 2050.

Moreover, the committee invited the Commission and the Member States to ensure that all legislative proposals forming part of the Energy Union follow the ordinary legislative procedure, thus fully involving Parliament. The Commission is also asked to present on an annual basis a report on the implementation of the Energy Union and to develop and update a set of key indicators to be included in the report.

Energy security, solidarity and trust: the report called on the Commission and the Member States to actively pursue more sustainable and competitive prices and costs of imported energy for European citizens and businesses through the diversification of supply (energy sources, suppliers and routes). To this end, the Commission should promote the construction of the relevant energy infrastructure priority corridors, with a special focus on Member States with high dependency.

With a view to helping those most vulnerable countries to diversify their sources and supply routes, Member States and the Commission should implement without delay the recommendations of the gas system stress tests. Members recommended that the Commission should consider carrying out "electricity stress tests" in order to build an overview of the resilience of the entire energy market situation.

As regards the security of energy supply as well as its competitiveness, Member States should upgrade their coordination and cooperation at EU level with their neighbours.

Members considered that the Energy Union entails negotiating with one voice with third countries. They called on the Commission to:

- analyse the appropriateness and potential structure of a voluntary collective purchasing mechanism and its impact on the functioning of the internal gas market, the undertakings affected and its contribution to ensuring security of gas supply;
- set up a comprehensive framework for the external dimension of the Energy Union, with specific reference to the promotion of strategic partnerships with producing and transit third countries;
- create a high-level reflection group on energy security, foreign policy and the Energy Union, with strong representation and involvement from Parliament and of societal stakeholders.

Members also considered that diversity in the energy mixes of Member States is an asset to the EU as a whole, however it must not represent

a barrier to the single market.

In addition, the committee expressed concern at the proposed doubling of capacity of the Nordstream pipeline and the effects this would have on energy security and diversification of supply and the principle of solidarity between Member States.

A fully integrated European energy market: Members believed that the future Energy Union must establish a free flow of energy across EU and Energy Community countries. The backbone of the future Energy Union must be a fully functioning, interconnected internal energy market that delivers safe, secure, fairly distributed, socially and environmentally responsible, efficient, competitive, affordable and sustainable energy.

The report called on the Commission and Member States to ensure the full implementation and enforcement of existing EU state aid, energy, environment and climate legislation.

According to Members, a properly designed future model of the electricity market in the EU is urgently needed and must aim at promoting the necessary investment to guarantee supply in the long term and at a more market-based and from the point of view of network security optimised integration of renewable energy sources.

Member States and the Commission are called upon to concentrate their efforts on driving PCIs and projects of the Energy Community interest (PECIs) forward, with a view to achieving a pan-European electricity grid and gas network with the capacity to transmit power and gas across EU countries from multiple sources. They reiterated their commitment to achieve the 10 % interconnectivity target in order to complete the Internal Energy Market in EU, and welcomed the European Council's proposal for a minimum level of electricity interconnection between Member States of 15 % by 2030.

The Energy Union should also contribute towards an "Energy Investment Union", ensuring that the more than EUR 1 trillion of investment required in the coming years to revitalise Europe's economy comes from private and public investors.

Stressing the need to strengthen regional cooperation, Members invited the Commission to come forward with a macro-regional market cooperation governance structure in which the European Parliament and national parliaments also have a role to play.

Energy efficiency contributing to moderation of demand: gains in energy efficiency both reduce energy bills for households and industries and have the potential to create two million jobs as a result of energy efficiency measures by 2020, in particular in the building sector, which accounts for 40 % of total EU energy demand.

The Commission is called upon to identify and remove remaining barriers to energy efficiency measures, and to develop a genuine market in energy efficiency.

Towards a sustainable economy: Members underlined the crucial role of renewables in the EU in attaining energy security and political and economic independence by reducing the need for energy imports. They welcomed the commitment from the Commission to make the European Union "the world number one in renewables" and urged the Commission to present an operational and workable strategy to this effect.

While recognising that the energy mix is primarily a Member State competence, Members believed that public concerns must be properly addressed and that any hydraulic fracturing activities should comply with the highest climate, environmental and public health standards. They asked those Member States which intend to pursue hydraulic fracturing to respect the [2014 Commission recommendation](#) on minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing.

Members also stated that decarbonisation technologies such as CCS and Carbon Capture and Use (CCU) will need to be further developed and improved through considerable research and innovation efforts.

As regards nuclear energy - which represents one of the most important contributions of the European energy system, providing for lower CO₂ emissions -, the report called on Member States that are phasing out nuclear power to make certain that it is replaced with a mode of energy production that can contribute commensurately to the energy supply and to stabilising the common system for production and distribution.

Delivering the Energy Union: citizens and cities: energy must be made affordable to all citizens of the EU. Members considered that avoiding unnecessary consumption by undertaking efficiency improvements, stronger interconnections, higher market integration and sustainable energy investment, particularly in buildings, would enable many households to access, on equal conditions, a single, sustainable, competitive and secure energy market and escape energy poverty, which in 2012 affected one in four EU citizens.

The Commission is invited to present a communication on energy poverty in Europe, accompanied by an action plan to fight against it, which contains a definition and indicators of energy poverty.

Transport: the report called for a move towards an energy-efficient and decarbonised transport sector. Transport represents over 30% of final energy consumption in Europe and that 94% of transport relies on oil products. Members considered, therefore, that a cleaner energy system, with a clear link to the decarbonisation of the transport sector, should be at the core of a framework strategy for a resilient energy union.

Research: Members called on the Commission to intensify its research efforts regarding the better use of Europe's energy resources and the lessening of their environmental impact: in this regard, Members recommended that all the EU's funding options for boosting safe and sustainable low-carbon energy technologies, energy efficiency, renewables, smart grids, decentralised production, flexible generation, electrical storage and electrification of the transport system must be fully exploited.

Towards a European energy union

The European Parliament adopted by 403 votes to 177 with 117 abstentions, a legislative resolution entitled Towards a European Energy Union in response to the Commission Communication on the subject.

Dimensions of the Energy Union: Parliament took note of the five pillars of the Energy Union outlined by the Commission and insisted that policies pursued under these pillars must always contribute to ensuring the security of energy supply, decarbonisation, the long-term sustainability of the economy and the delivery of affordable and competitive energy prices. It recalled that energy is a public social good and that the EU should therefore focus closely on the issue of energy poverty and promote concrete measures to tackle this problem. The Energy Union should: (i) ensure equal access to energy for all, (ii) contribute to affordable energy prices for the benefit of consumers, (iii) promote

connections and energy infrastructure that have a strategic role for the benefit of the people, and (iv) strengthen regulation. Furthermore, it should adopt a comprehensive approach focusing on dimensions such as:

- achievement of a fully integrated internal energy market;
- security of supply;
- best use of EUs energy resources;
- moderation of energy demand;
- greenhouse gas reduction based essentially on renewable energy sources and an EU-wide carbon market, research and innovation aiming for energy technology leadership;
- placing citizens at its core, provided with secure, sustainable and affordable energy.

Parliament asked that all legislative proposals forming part of the Energy Union follow the ordinary legislative procedure, and expected the post- 2020 governance framework for the Energy Union to be ambitious, reliable, transparent, democratic and fully inclusive of Parliament, ensuring that the 2030 climate and energy targets are achieved. It called on the Commission to present swiftly to Parliament and the Council a legislative proposal taking into account the Council conclusions and Parliaments views as expressed in this report.

Members called on Member States to develop long-term energy strategies in the light of the long-term target of achieving an 80-95 % reduction of greenhouse gases by 2050. They recalled that Parliament has repeatedly called for binding 2030 climate and energy targets of at least a 40 % domestic reduction in GHG emissions, at least 30 % for renewables and 40 % for energy efficiency, to be implemented by means of individual national targets.

Energy security, solidarity and trust: Parliament called on the Commission and Member States to actively pursue more sustainable and competitive prices and costs of imported energy for European citizens and businesses through the diversification of supply (energy sources, suppliers and routes). To this end, the Commission should promote the construction of the relevant energy infrastructure priority corridors, with a special focus on Member States with high dependency. Members called for: (i) identification of additional projects to be included in the upcoming PCI 2015 list in order to significantly increase the capacity between Spain and France; (ii) a Mediterranean Gas Hub with increased LNG capacities.

Parliament stressed that all EU infrastructure projects must be fully in line with EU climate and energy legislation and long-term objectives and priorities, including EU energy security. Energy suppliers coming from third countries must also be subject to the EU acquis while operating on the common market.

In order to end the isolation of Member States and regions from the internal energy market, the Commission should carry out gas stress tests regularly, and consider carrying out electricity stress tests in order to build an overview of the resilience of the entire energy market situation.

As regards the security of energy supply as well as its competitiveness, Member States should upgrade their coordination and cooperation at EU level with their neighbours.

Parliament considered that the Energy Union entails negotiating with one voice with third countries and strengthening the role of the Commission in negotiations relating to energy. It called on the Commission to:

- analyse the appropriateness and potential structure of a voluntary collective purchasing mechanism and its impact on the functioning of the internal gas market, the undertakings affected and its contribution to ensuring security of gas supply;
- set up a comprehensive framework for the external dimension of the Energy Union, with specific reference to the promotion of strategic partnerships with producing and transit third countries;
- create a high-level reflection group on energy security, foreign policy and the Energy Union, with strong representation and involvement from Parliament and of societal stakeholders.

Members also considered that diversity in the energy mixes of Member States is an asset to the EU as a whole; however it must not represent a barrier to the single market.

A fully integrated European energy market: Parliament believed that the future Energy Union must establish a free flow of energy across EU and Energy Community countries. The backbone of the future Energy Union must be a fully functioning, interconnected internal energy market that delivers safe, secure, fairly distributed, socially and environmentally responsible, efficient, competitive, affordable and sustainable energy. Market-based mechanisms must be complemented by tangible and ambitious security of supply and solidarity mechanisms, such as more efficient regional and EU level crisis management

Parliament called for the full implementation and enforcement of existing EU state aid, energy, environment and climate legislation, and for an assessment of the implementation of the Third Energy Package and of the benefits generated for consumers, the removal of derogations from the Third Energy Package and for a swift adoption and implementation of European network codes and guidelines.

According to Members, a properly designed future model of the electricity market in the EU is urgently needed and must aim at promoting the necessary investment to guarantee supply in the long term and at a more market-based and from the point of view of network security optimised integration of renewable energy sources.

Parliament called for the establishment of a pan-European electricity grid and gas network with the capacity to transmit power and gas across EU countries from multiple sources. It reiterated its commitment to achieve the 10 % interconnectivity target in order to complete the Internal Energy Market in EU, and welcomed the European Council's proposal for a minimum level of electricity interconnection between Member States of 15 % by 2030.

The Energy Union should also contribute towards an "Energy Investment Union", ensuring that the more than EUR 1 trillion of investment required in the coming years to revitalise Europe's economy comes from private and public investors.

Members also stressed the need to strengthen regional cooperation and policy coordination to achieve broader EU-wide energy market integration.

Energy efficiency contributing to moderation of demand: gains in energy efficiency both reduce energy bills for households and industries and have the potential to create two million jobs as a result of energy efficiency measures by 2020, in particular in the building sector, which accounts for 40 % of total EU energy demand.

Parliament called on the Commission and Member States to apply the energy efficiency first principle and remove remaining barriers to energy

efficiency measures, and to develop a genuine market in energy efficiency.

It stressed the need 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. Parliament underlined that a revision of existing energy efficiency legislation, including the [Energy Performance of Buildings Directive](#) and the [Energy Efficiency Directive](#), alongside proper implementation of such legislation by Member States.

Towards a sustainable economy: Members underlined the crucial role of renewables in the EU in attaining energy security and political and economic independence by reducing the need for energy imports, as well as their vital role in improving air quality and creating growth and jobs. They welcomed the commitment from the Commission to make the European Union "the world number one in renewables" and urged the Commission to present an operational and workable strategy to this effect.

- While recognising that the energy mix is primarily a Member State competence, Members believed that public concerns must be properly addressed and that any hydraulic fracturing activities should comply with the highest climate, environmental and public health standards. They asked those Member States which intend to pursue hydraulic fracturing to respect the [2014 Commission recommendation on](#) minimum principles for the exploration and production of hydrocarbons (such as shale gas) using high-volume hydraulic fracturing.
- Members also stated that decarbonisation technologies such as CCS and Carbon Capture and Use (CCU) would need to be further developed and improved through considerable research and innovation efforts.
- As regards nuclear energy which provided 27 % of the EUs electricity mix and over half of all EU low-carbon power in 2014-, Parliament called on Member States that are phasing out nuclear power to make certain that it is replaced with a mode of energy production that can contribute commensurately to the energy supply and to stabilising the common system for production and distribution.

Delivering the Energy Union: citizens and cities: energy must be made affordable to all citizens of the EU. Members considered that avoiding unnecessary consumption would enable many households to access a single, sustainable, competitive and secure energy market and escape energy poverty, which in 2012 affected one in four EU citizens.

As part of any review of the retail energy markets, serious consideration should be given to further measures to protect consumers, such as requiring energy bills to include comparisons with competitors based on historical consumption patterns, requiring suppliers to automatically place their customers on the most advantageous tariff available, and ensuring a limited, easily comparable range of standardised tariffs.

The Commission is invited to present a communication on energy poverty in Europe, accompanied by an action plan to fight against it, which contains a definition and indicators of energy poverty.

Transport: the sector represents over 30% of final energy consumption in Europe and that 94% of transport relies on oil products. Members considered, therefore, that a cleaner energy system, with a clear link to the decarbonisation of the transport sector, should be at the core of a framework strategy for a resilient Energy Union.

The Commission is called upon to: (i) put forward a comprehensive road transport strategy, as part of the decarbonisation of the transport sector; (ii) revise the fuel consumption and CO2 labelling scheme for passenger cars.

Research: Parliament called on the Commission to intensify its research efforts regarding the better use of Europes energy resources and the lessening of their environmental impact: in this regard, Members recommended that all the EU's funding options for boosting safe and sustainable low-carbon energy technologies, energy efficiency, renewables, smart grids, decentralised production, flexible generation, electrical storage and electrification of the transport system must be fully exploited.

Lastly, Parliament asked the Commission to take part in the commitment from 6 000 European cities to be leaders in the energy transition notably through the Covenant of Mayors.