

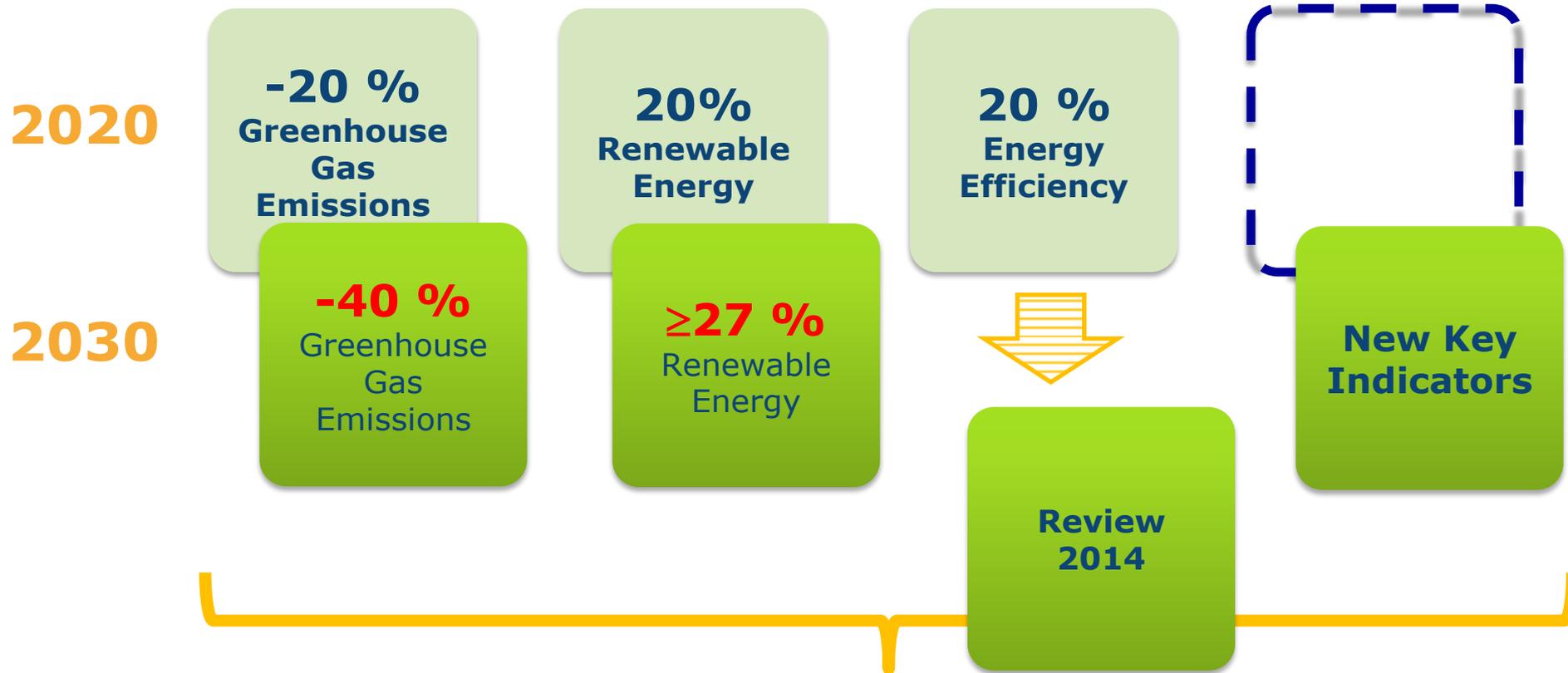


A few early considerations about Governance 2030

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- 1. Overview*
- 2. National Plans*
- 3. Indicators: Monitoring and reporting*
- 4. [Regional co-operation]*

Main elements



New governance system



How it works

- Completion of the **internal energy market**
- **Improve governance system** through national plans of Member States
- **Reform of the EU ETS** (market stability reserve)
- **Key indicators** for competitive, secure and sustainable energy
- Continue focus on improving **energy security**, e.g. diversify supply including for example safe exploitation of shale gas
- Continue with ambitious **EU-wide standards** for appliances, equipment, buildings and CO2 standards for vehicles.

National Plans for competitive, secure and sustainable energy

- Ensure achievement of EU Climate and Energy targets
- Increase coherence of national concepts/approaches
- Promote further market integration and competition
- Provide certainty for investors beyond 2020

- How to achieve domestic objectives (non-ETS GHG target, contribute to EU renewable energy target, energy savings, etc).
- Other important national choices such as nuclear, shale gas, low carbon fuels, CCS, etc
- How it contributes to strengthening the internal market (renewables deployment, balancing markets, generation adequacy and construction of interconnectors).

Increased flexibility in defining transitions to sustainable, competitive and secure low-carbon economies

Specific and flexible in terms of MS

- Energy mix
- Energy security
- Cost minimization / optimization

Compatible with EU

- Market integration
- Competition, level playing field
- EU climate and energy targets and objectives

Iterative process: Commission – MS – Commission ...

Commission develops detailed guidance on the new governance process and contents of national plans

Member States prepare plans based on an iterative process (including consultation neighbouring MS)

Commission assesses Member States' plans and commitments

This type of iterative process is not new

- GHG: greenhouse gas inventories, report on national policies and measures.
- Energy efficiency: EE plans every three years.
- Renewable energy: national plans vis-à-vis 2020 target
- These processes also comprise reviews by the Commission in relation to the achievement of the various climate and energy objectives.

Indicators: Monitoring and reporting



Energy price differentials



Diversification imports,
share of indigenous energy



Smart grids & connectors
between Member States



Intra-EU coupling
energy markets



Competition and
market
concentration



Technological
innovation

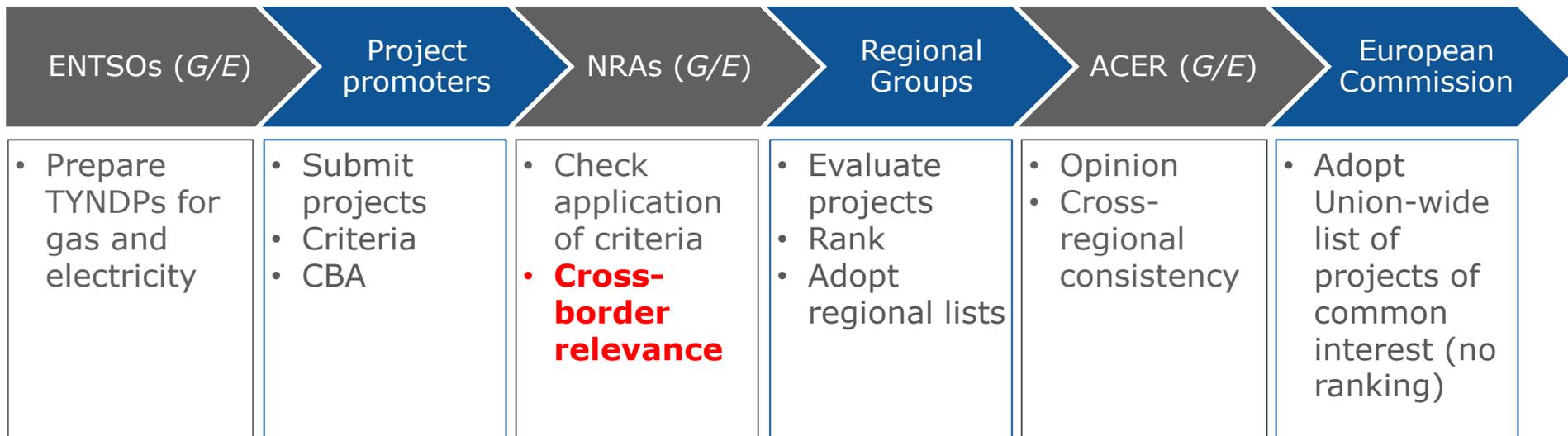
- **Energy price differentials** between the EU and major trading partners
- **Diversification of energy imports and the share of indigenous energy sources** used in energy consumption over the period up to 2030
- **Deployment of smart grids and interconnections** between Member States, with particular urgency for those that are further away from meeting the already agreed 10% objective
- **Intra-EU coupling** of energy markets
- **Competition and market concentration** on wholesale and retail energy markets both at the national and (in particular in regions with functioning coupling) at the regional level.
- **Technological innovation** (R&D expenditure, EU patents, competitive situation on technologies compared to third countries).

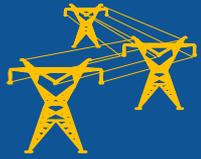
- Discussions about national plans and indicators are ongoing among member states and between MS and the Commission

Regional co-operation

- The European Council on 20-21 March 2014
 - Underlined the importance of completing the internal energy market and developing interconnections so as to put an end to any isolation of Member States from European gas and electricity network.
 - In this context, the European Council also invited the Commission to propose by June specific interconnection objectives to be attained until 2030 with a view to taking a decision at the latest by October 2014.
- Example for regional co-operation on energy infrastructure with support from the EU level: PCIs (Projects of Common Interest) and the Connecting Europe Facility
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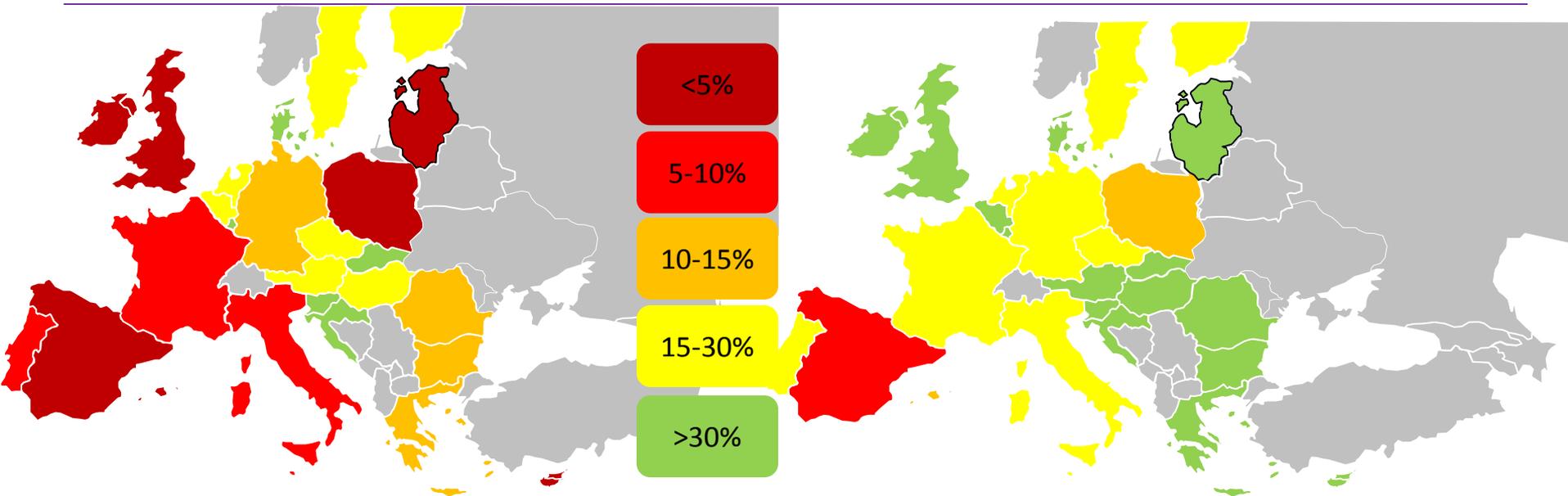
Process to identify projects of common interest





Impact of PCIs – electricity interconnection levels before & after PCI implementation

Interconnection levels (Import capacity/net generation capacity)



Connecting Europe Facility - Priorities 2014

- *Article 17.6 CEF Regulation:*
 - **ending energy isolation**
 - **eliminating energy bottlenecks**
 - **completion of the internal energy market**
- *Recital 57 of CEF Regulation:*
 - **due consideration of electricity projects** (subject to market uptake, quality etc.)

Some ideas for discussion

- Communication: No formal integration of 2030 governance regime into the European Semester
- But: important links to and lessons learned from overall economic governance framework and European Semester:
 - Ex-ante coordination: German EEG reform
 - Enforcement and implementation of country specific recommendations (CSRs)
 - Role of commonly agreed indicators and benchmarks ("macro-economic scoreboard)
 - Consequences from results of monitoring and reporting



Thank you

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Outlook based on March European Council conclusions

- Council to agree on 2030 framework by October 2014
- For June European Council, progress to be made on:
 - MS-level impacts of EU targets for EU GHG reduction and RES
 - Mechanisms for an overall fair effort sharing
 - Measures to prevent carbon leakage in order to ensure competitiveness of Europe's energy-intensive industries
 - Review of Energy Efficiency Directive and EE framework
- Interconnection objectives to be attained by 2030
- In-depth study on EU energy security and plan for the reduction of EU energy dependence by June 2014

Examples for existing regulations, etc. relevant for monitoring and reporting

- Articles 7, 13 and 14 of Regulation (EU) No 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC.
- Article 24 of Directive 2012/27/EU on energy efficiency;
- Article 4 of Directive 2009/28/EC on the promotion of the use of energy from renewable sources.
- Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020.