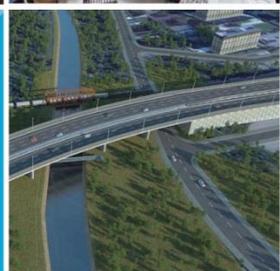




European
Commission



CLEAN ENERGY FOR ALL EUROPEANS



Turning vision into action

“

*I want to reform and **reorganise Europe's energy policy into a new European Energy Union.** (...) We need to strengthen the share of renewable energies on our continent. This is not only a matter of a responsible climate change policy. It is, at the same time, an industrial policy imperative if we still want to have affordable energy at our disposal in the medium term. I strongly believe in the potential of green growth. **I therefore want Europe's Energy Union to become the world number one in renewable energies.** (...)*

Jean-Claude Juncker, A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change – Political Guidelines for the next European Commission, 22 October 2014

*A binding 30% objective for energy efficiency by 2030 is to me the minimum if we want to be credible. **Transport policy will also have to make a contribution to these objectives.***

Jean-Claude Juncker, Mission Letter to Maroš Šefčovič, Vice-President for the Energy Union, 1 November 2014

More actors, more opportunities, and more challenges

New business models and complex industrial value chains of products and services



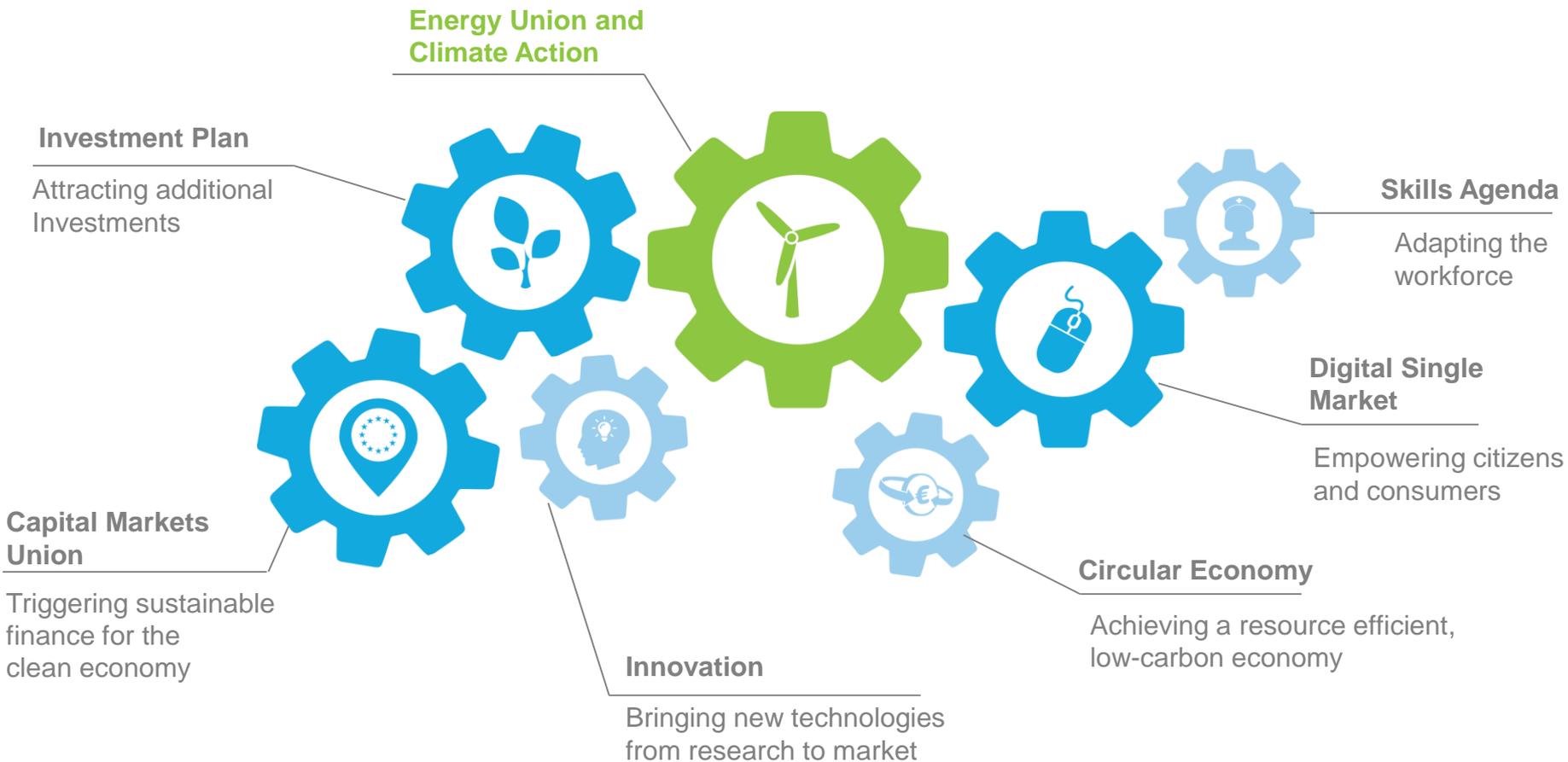
New players and industries entering the energy and mobility ecosystem



Different levels of public and private actors – EU, national, regional and local authorities

Being big on big things, and more modest on small things

The Energy Union interacts with the other Priorities of the Juncker Commission

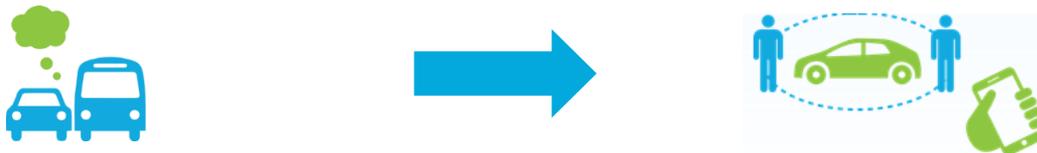


A new way of delivering the energy transition

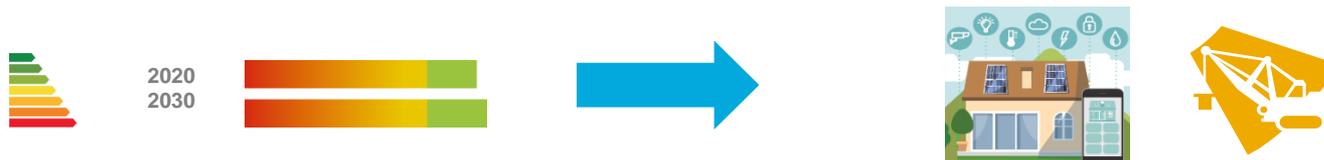
Renewable energy: Megawatts and CO₂ but also complex value networks of jobs and growth



Low emission mobility: not only car engines but also the future of the mobility system



Energy efficiency: Target and directives together with projects and investment tools



Industrial competitiveness: Sustainability as an economic opportunity and new business models



Sustainable finance: ETS, Stranded assets and new financial products



THE CLEAN ENERGY FOR ALL EUROPEANS Package

Consolidation and prioritisation

Putting energy efficiency first



Delivering a fair deal for consumers



Global leadership in renewables



Energy Union Governance



Energy Efficiency

(Energy Efficiency Directive, European Performance of Buildings Directive)



Renewables

(Revised Renewable Energy Directive)



New Electricity Market Design



Energy prices and costs report

The electricity market design proposal



Boost wholesale market **flexibility** and provide **clear price signals** to facilitate the continuing penetration of renewable energies and ensure investments



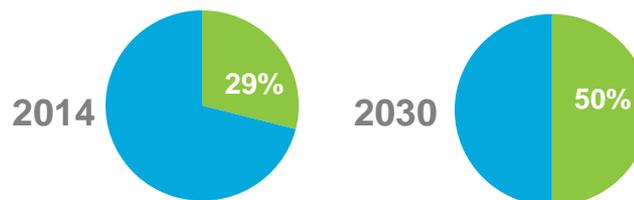
Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



Promote **regional cooperation** and provide a true **European dimension to security of supply**

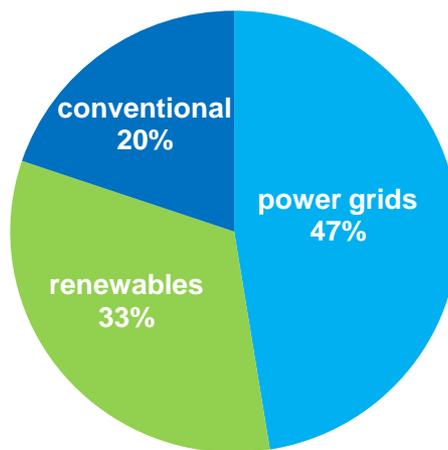
CONTEXT

MORE POWER COMING FROM RENEWABLES

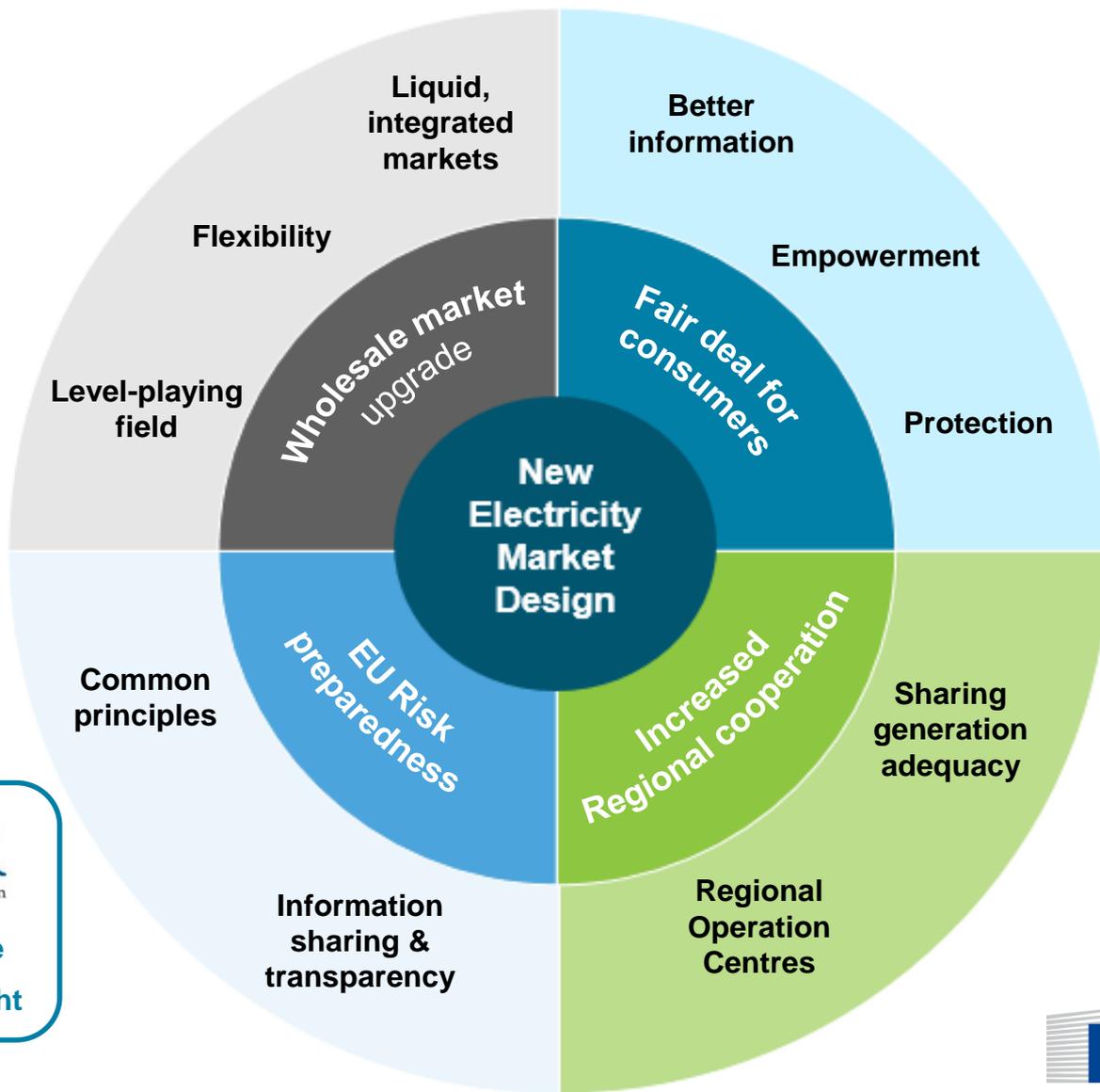


Today up to **90%** of variable renewable electricity is connected to distribution grids

INVESTMENT NEEDS FOR POWER: €75 bn PER YEAR FOR 2021-2030



HOW?



ACER

Agency for the Cooperation of Energy Regulators

Stengthened role

Regulatory oversight

WHOLESALE MARKET UPGRADE

Competitive energy markets are at the heart of a competitive economy

Strengthened short-term markets

Increase **cross-border trading opportunities** over shorter timeframes (intraday and balancing markets)

Reward flexibility for generation, demand-response and storage

Allow **prices to show real value** of electricity in terms of time and location (scarcity pricing)

Level-playing field among sources

Rules on **priority access** and dispatch

Curtailement rules

Remuneration on equal terms on market principles

Extended **balancing** responsibilities

Enhancing
system flexibility:

INTEGRATION OF
RENEWABLES

MARKET-DRIVEN
INVESTMENTS

FAIR DEAL FOR ALL CONSUMERS

“ *Our vision is of an Energy Union with citizens at its core, where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, participate actively in the market, and where vulnerable consumers are protected.* ”

Energy Union Framework Strategy

BETTER INFORMED

- Access to fit-for-purpose smart meters
- Certified price comparison tool
- Clearer energy bills

EMPOWERED

- Entitle individuals and communities to generate electricity and to consume, store or sell it back to the market
- Easier switching conditions
- Reward demand-response

PROTECTED

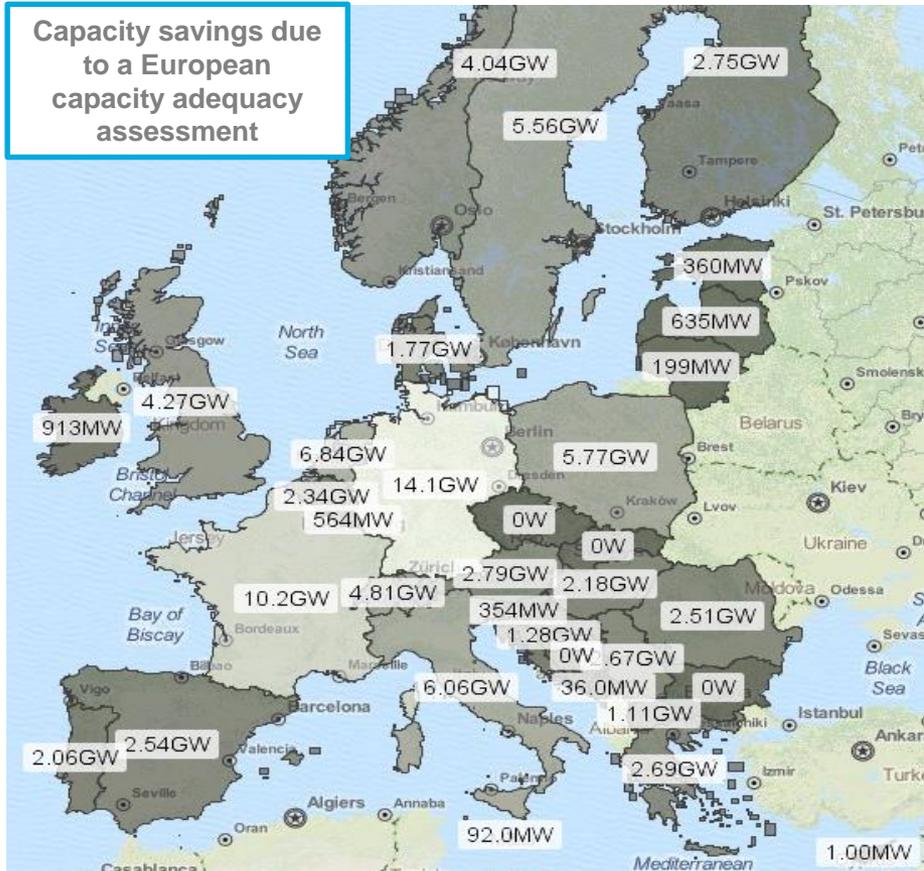
- Monitoring of energy poverty (governance)
- Information on alternatives to disconnection
- Secured electricity supplies
- Sound data management

COMPETITIVE RETAIL MARKETS

- Regulated prices phased out (only justified exemptions)
- Fair market access for new market players such as new services providers (e.g. aggregators)
 - Flexible network management
- Distribution operators become neutral but active market facilitator

STEPPING UP REGIONAL COOPERATION

Capacity savings due to a European capacity adequacy assessment



Common capacity mechanisms principles in line with the Sector Inquiry to ensure least-distortive design



Development of a transparent European adequacy assessment including capacity available at the border



Regional Operation Centres (ROCs) bringing National Regulators closer together on system operation decisions

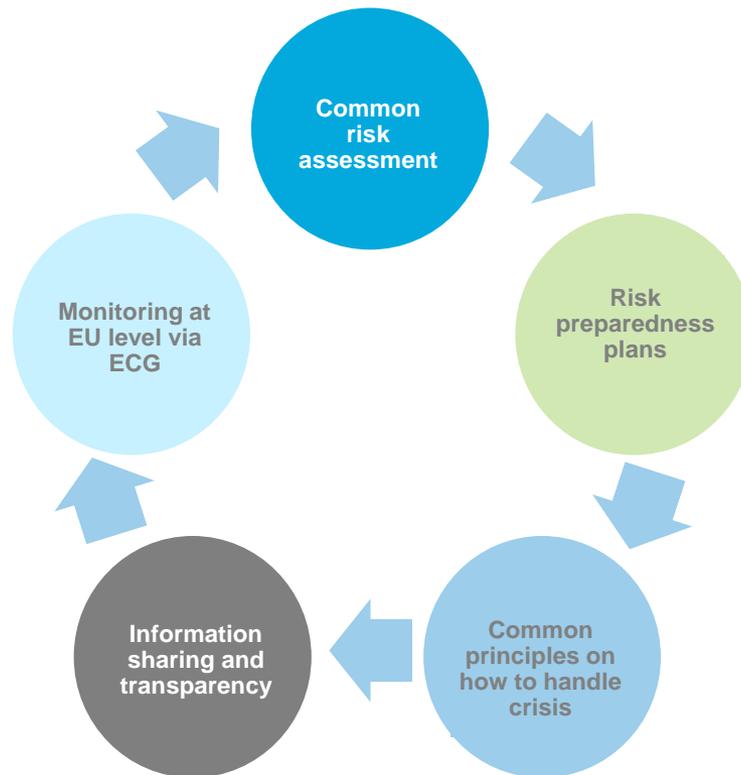


Development of shared Methodologies for cross-border trading of electricity at all market timeframes

STRENGTHENING RISK PREPAREDNESS: SAFER TOGETHER

ENHANCED COOPERATION COMES FROM COMMON RULES

Common risk identification and assessment	<ul style="list-style-type: none"> - Common methodology for: <ul style="list-style-type: none"> • Identifying electricity crisis • Assessing short-term adequacy - Identification of crisis scenario
Risk preparedness plans	<ul style="list-style-type: none"> - Mandatory plans and coordinated measures - Consultation with other Member States and Electricity Coordination Group (ECG)
Common principles on handling crisis	<ul style="list-style-type: none"> - Solidarity principle and assistance - Ensure market functions as long as possible - Non-market measures only as last resort
Information sharing and transparency	<p>Obligation to inform EC and Member States:</p> <ul style="list-style-type: none"> • In case of electricity crisis (measures and need for assistance) • "Early-warning"
EU level monitoring	<ul style="list-style-type: none"> - Systematic monitoring via Electricity Coordination Group - Harmonised indicator to monitor - Reporting on electricity crisis events



AN AGENCY UP TO THE TASK



*A **coordination hub** for tighter European and regional cooperation
Main engine behind the effective **implementation of market rules**
Critical **market surveillance** functions both in wholesale and retail*

Regional and cross-border decisions

- Setting the configuration of Regional Operation Centres and monitoring of regional performance
- Coordinator role towards National Regulators to enhance interoperability
- Approval of methodologies for cross-border trade and generation adequacy
- Approval of methodology for the identification of electricity crisis scenarios

Wholesale markets performance

- Monitoring of market efficiency: 'flexibility barriers', price caps; bidding zone decisions, locational price signals, etc.
- Follow through the implementation of existing and new system and market operation codes
- Surveillance of Member States performance against security of electricity supply indicators

DSO-related tasks

- Formal place for DSO to be represented at EU-level: establishment of EU DSO for electricity
- Ensure DSOs and TSOs cooperation

The Energy Union goes beyond regulation



Competition and Single Market policy tools: public procurement, State Aid, and better enforcement



Social action – social rights, Skills Agenda, youth, social cohesion



EU Global Action, trade, international standards and rules, economic diplomacy



Innovation, principles and actions, from research to the market approach, Horizon 2020



The Investment Plan – Third Pillar and other EU funds, key infrastructure projects of European Interest



Governance and engagement with a wide range of actors – from public to private, civil society, Covenant of Mayors, etc.



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