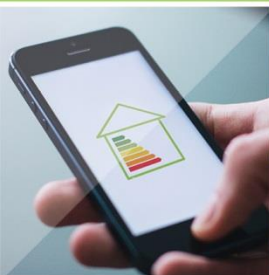
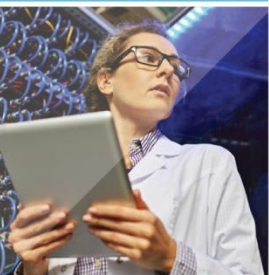




European  
Commission



# 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



Digital Tools



Raw Materials

Research

Suppliers



Intermodal

Sharing

New Business Models

New players and industries entering the energy and mobility ecosystem



Citizens and



consumers at the centre

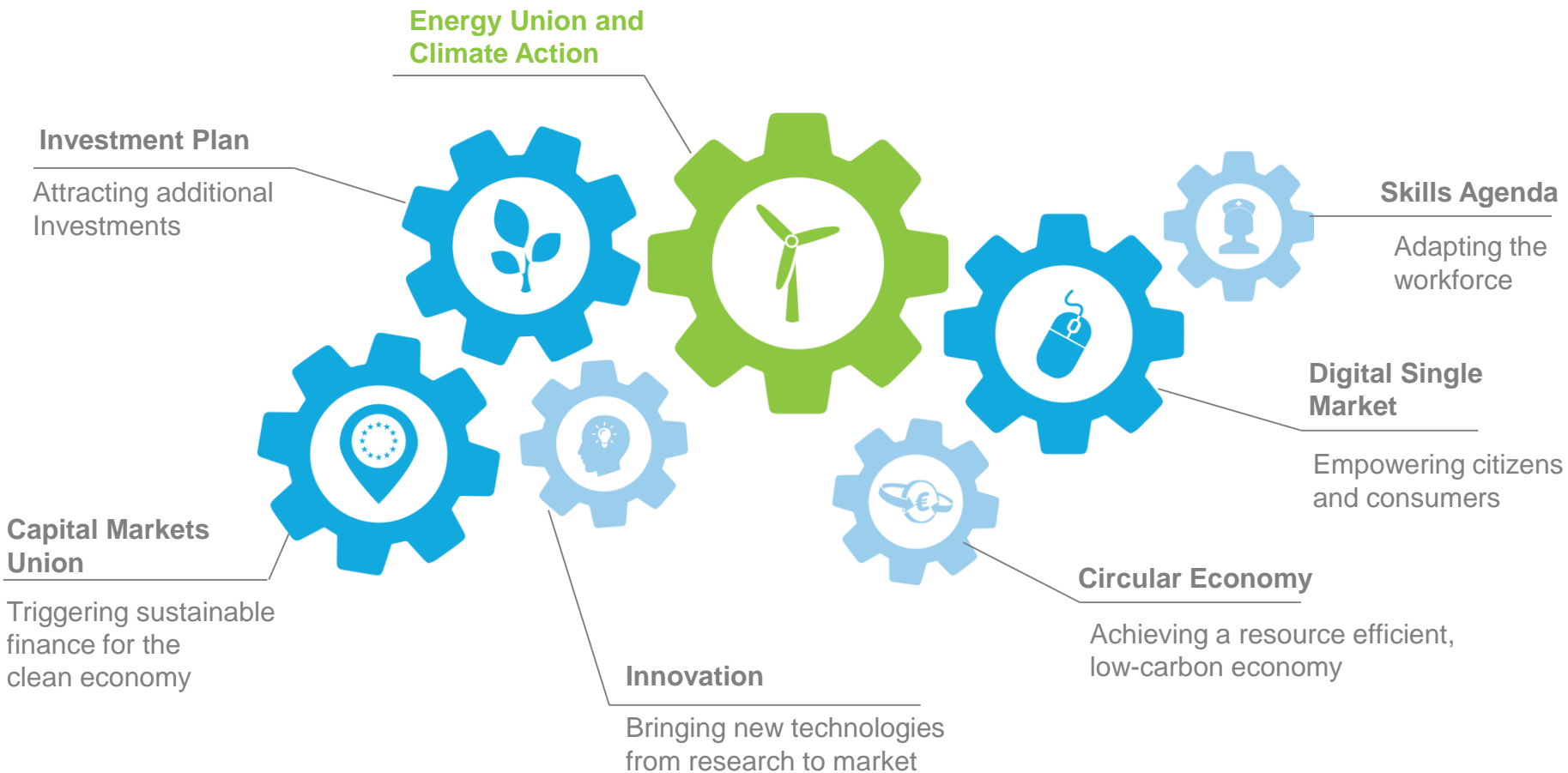


Zero Emissions and Improved Air Quality

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

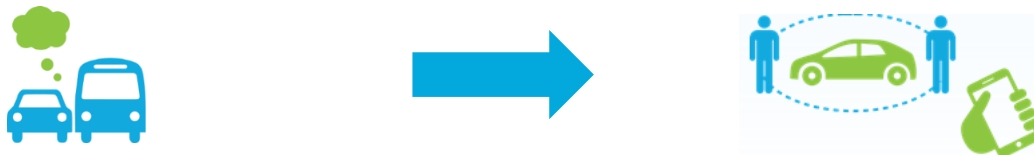


## A new way of delivering the energy transition

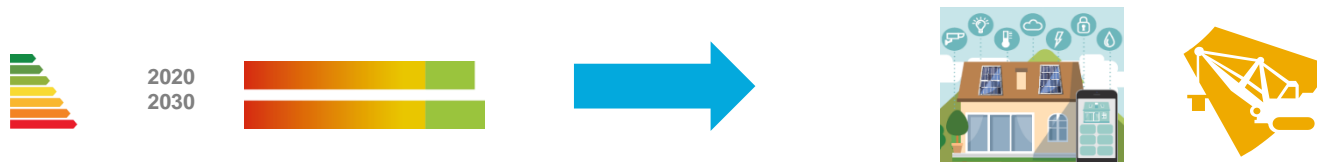
Renewable energy: Megawatts and CO2 but also complex value networks of jobs and growth



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



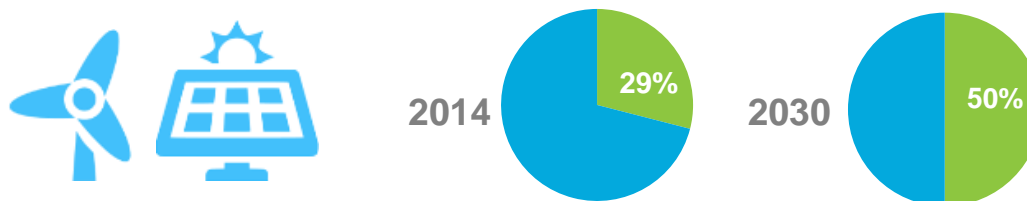
Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



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

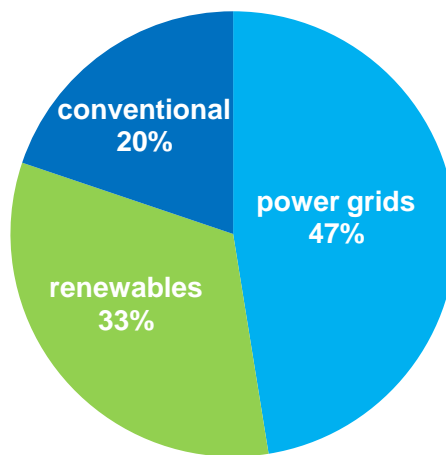
## CONTEXT

### MORE POWER COMING FROM RENEWABLES



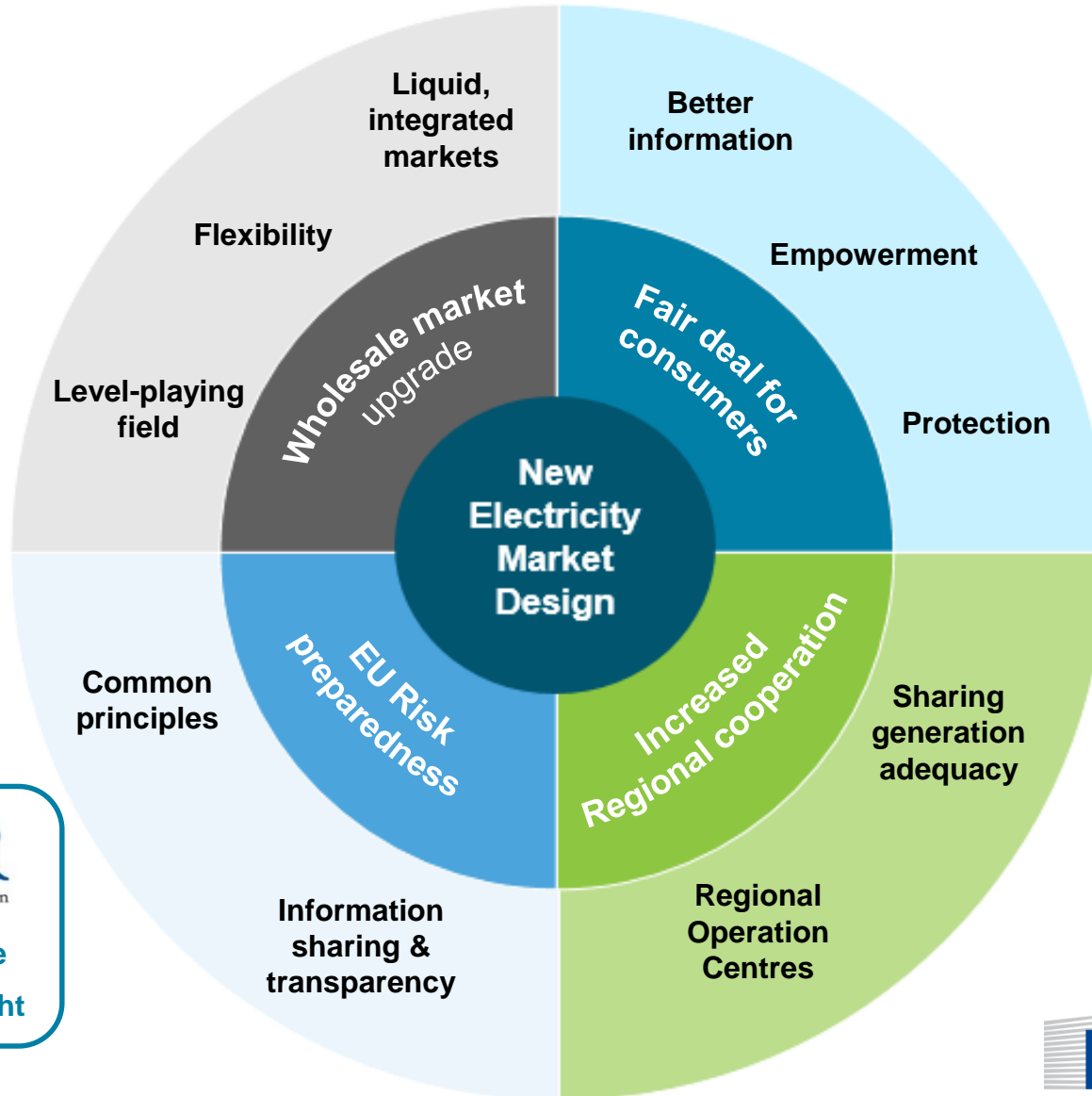
Today up to **90%** of variable renewable electricity is connected to distribution grids

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





# HOW?



## 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

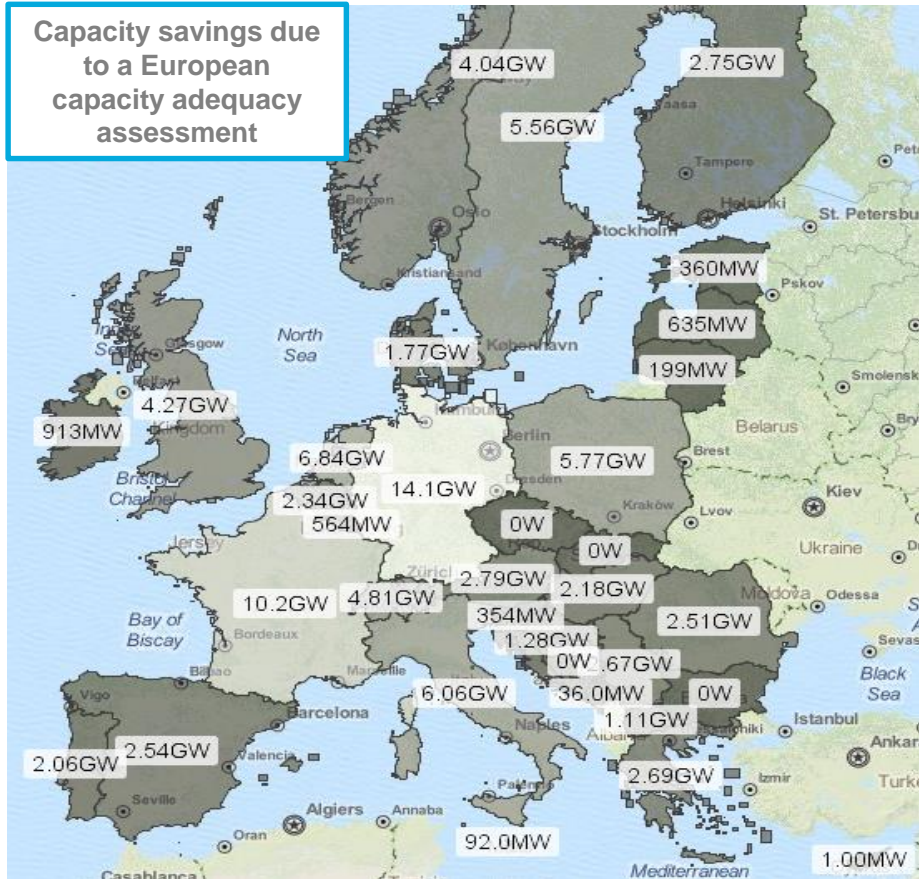
- Monitoring of energy poverty (governance)
- Information on alternatives to disconnection
- Secured electricity supplies
- Sound data management

### 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

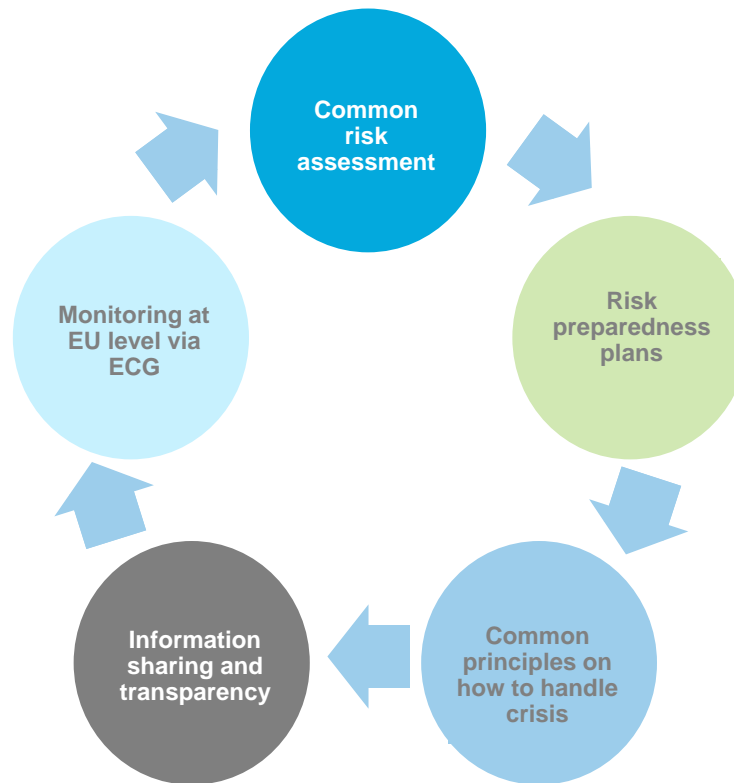


**Development of shared Methodologies** for cross-border trading of electricity at all market timeframes

# STRENGTHENING RISK PREPAREDNESS: SAFER TOGETHER

## ENHANCED COOPERATION COMES FROM COMMON RULES

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



## 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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# ENERGY UNION

