Towards a secure European energy supply

Written by Dominique Ristori on 20 December 2016 in Opinion
Opinion

The Commission is making strides towards ensuring the EU's energy security, says Dominique Ristori.

In 2006 and 2009, the threat of energy supply disruptions became a reality for millions of Europeans. The ongoing Ukraine-Russia tensions and other geopolitical and economic challenges make us realise that European energy security cannot be taken for granted.

Therefore, ensuring a secure, sustainable, competitive and affordable energy supply for citizens and businesses in the European Union is a strategic goal for the European Commission and is the central objective of the energy union.

To reach that goal, access to liquid, competitive and well-functioning gas markets and diversified
sources of supply for all member states has to be ensured. In this context, the Commission presented last February its energy security package with proposals to equip the EU for the global energy transition and to better prepare against possible future energy supply interruptions.

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Thanks to the support of the European Parliament and the intense contact with member states, we are making significant progress.

Diversification of sources, suppliers and routes is paramount. The EU is the world’s largest energy importer, importing 53 per cent of its energy while several member states are dependent on one single external supplier for all their gas imports.

The energy union supports the timely development of the southern gas corridor which should ensure the link of the important gas resources of the Caspian region to the EU market by 2020. In addition, the establishment of liquid gas hubs with multiple suppliers in northern Europe is greatly enhancing Europe’s supply security.

We are also improving our cooperation with central and eastern European countries as well as those in the Mediterranean area, where a gas hub is in the making. Let’s not forget that some of our south and east Mediterranean partners are major energy producers, such as Algeria or Egypt, where recent discoveries are very promising.

Moreover, as part of the energy security package, we have adopted an LNG and gas storage strategy focussing on completing the strategic infrastructure to eliminate bottlenecks in the internal energy market and identify the necessary projects to end single-source dependency of some member states.

Regional cooperation still needs to be increased between the member states, both in terms of market integration as well as crisis prevention.

We can build our policy on successful frameworks such as the high-level groups created to accelerate the implementation of critical energy infrastructure projects in the regions. For example, the Baltic market interconnection plan (BEMIP) group has helped to end the gas isolation of the Baltic states and the low level of electricity interconnection.

Similar initiatives have been established with the south west high level group in order to enhance the integration of the Iberian peninsula with the rest of Europe. Another example is the high level group on central and south eastern Europe gas connectivity (CESEC) in order to integrate gas markets and diversify gas supplies to the region.

The security of gas supply regulation, also part of the energy security package, introduced a concrete solidarity principle to member state's collaboration:

As a last resort, neighbouring member states will help ensure gas supplies to households and
essential social services, such as hospitals and schools, in case their supply was affected due to a severe crisis. The proposal leaves a great level of flexibility for member states to develop, together with their neighbours, concrete practical provisions.

We will rigorously enforce our internal energy market rules to increase transparency and make sure that everyone plays by the same rules. Therefore, we will ensure that intergovernmental agreements between member states and third countries in the field of energy are transparent and fully compliant with EU law.

To that end, we have proposed improvements in the exchange mechanism with regard to intergovernmental agreements and non-binding instruments, as well as the introduction of a mandatory ex-ante assessment of the draft agreements by the Commission to ensure compatibility with EU law and guarantee policy coherence. In just nine months, political agreement was reached on this proposal, a major achievement for security of supply.

Finally, the transition towards low-carbon electricity poses a number of challenges for the secure organisation of Europe's electricity markets. Today, 29 per cent of electricity is generated from variable renewable energy and this share will reach 50 per cent by 2030.

As a result, the Commission adopted the clean energy for all Europeans package on 30 November. It directly contributes to the energy security, competitiveness and sustainability of the EU while boosting investments, growth and jobs in the EU.

As part of this package, new electricity market rules will facilitate the integration of renewables by enhancing the flexibility of the electricity system and offering greater certainty for investors. The new rules will also ensure a European dimension to security of electricity supply.

The Commission has therefore proposed to establish, in full complementarity with state aid guidelines, a wide European adequacy assessment to take into account the capacity in neighbouring countries.

We have also proposed rules to ensure cross-border cooperation when dealing with electricity crises. In addition, moderation of demand and energy efficiency first will strongly contribute to improve energy security.

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