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

Citizens and consumers at the centre

Different levels of public and private actors – EU, national, regional and local authorities
CLEAN ENERGY FOR ALL EUROPEANS

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

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

Energy Union and Climate Action

Investment Plan
Attracting additional Investments

Capital Markets Union
Triggering sustainable finance for the clean economy

Innovation
Bringing new technologies from research to market

Skills Agenda
Adapting the workforce

Digital Single Market
Empowering citizens and consumers

Circular Economy
Achieving a resource efficient, low-carbon economy
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 Efficiency

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
CLEAN ENERGY FOR ALL EUROPEANS

HOW?

- Flexibility
- Level-playing field
- Wholesale market upgrade
- Liquid, integrated markets
- Better information
- Empowerment
- Protection
- Fair deal for consumers
- Increased Regional cooperation
- Sharing generation adequacy
- Common principles
- EU Risk preparedness
- Information sharing & transparency
- Regional Operation Centres

Strengthened 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
  - **Curtailment** rules
  - **Remuneration** on equal terms on market principles
  - Extended **balancing** responsibilities

Enhancing system flexibility:

- **INTEGRATION OF RENEWABLES**
- **MARKET-DRIVEN INVESTMENTS**
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

**FAIR DEAL FOR ALL CONSUMERS**

**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

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**
- Common methodology for:
  - Identifying electricity crisis
  - Assessing short-term adequacy
- Identification of crisis scenario

**Risk preparedness plans**
- Mandatory plans and coordinated measures
- Consultation with other Member States and Electricity Coordination Group (ECG)

**Common principles on handling crisis**
- Solidarity principle and assistance
- Ensure market functions as long as possible
- Non-market measures only as last resort

**Information sharing and transparency**
- Obligation to inform EC and Member States:
  - In case of electricity crisis (measures and need for assistance)
  - "Early-warning"

**EU level monitoring**
- 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.**