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Energy Union and its Impact on European Citizens

European Movement International Briefing with Vice-President for the Energy Union Maroš Šefčovič

18 March 2015

5:30 p.m.

Representation of the State of North Rhine-Westphalia to the EU
Rue Montoyer 47, 1000 Brussels, Belgium

SUMMARY REPORT

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Maroš Šefčovič gives a keynote speech for the European Movement Briefing on the Energy Union; Brussels

With: Maroš Šefčovič

Rainer Steffens, Director of the Representation of the State of North Rhine-Westphalia (NRW) to the EU welcomed the participants on behalf of the Minister for European Affairs for North Rhine-Westphalia. He outlined that the Energy Union nowadays is one of the most discussed topics in Brussels, alongside TTIP and Ukraine.

Mr Steffens also drew attention to one of the major concerns of NRW - the Union's impact on European citizens - an aspect that the European Movement was also keen to highlight. Special focus was also paid to the environmental and climatic impact of the Energy Union.

Jo Leinen MEP, President of the European Movement International, started by welcoming the "most demanded man in Brussels and in the EU", Maroš Šefčovič, European Commission Vice-President for the Energy Union. "The EU started with energy", said Mr Leinen, "whilst the Lisbon treaty gave the competences to the EU to deal with energy on the institutional level".

Vice-President Šefčovič took the floor to express his hope for endorsement of the Energy Union by the European Council and obtaining the mandate from the heads of governments, as the EMI Briefing took place on the eve of the Council's meeting to decide on the future of the project – final European Council Conclusions on the Energy Union (19 March 2015) can be found [here](#). Vice-President Šefčovič expressed his appreciation for the role of the European Movement in reconciliation, peace-building and creating better understanding of policy. He pointed out that the EMI has been successful in contributing to the big project of bringing people together during the previous 20 years of tremendous transformation of Europe, supported by his own personal testimony of living behind the iron curtain.

Vice-President Šefčovič stated that when he was presenting the Energy Union strategy at the European Parliament [plenary session](#), he emphasised the need to fully embrace the future opportunities the project will bring, and to consider it the most ambitious endeavour since the creation of the European Coal and Steel Community. The S&D MEP Kathleen van Brempt responded to this statement, highlighting the role of renewables in the process, "Let's make the transition from community of steel and coal into the community of sun and wind".

Maroš Šefčovič retweeted



StollmeyerAlice @StollmeyerEU · Mar 18

"MEP @kvanbrempt inspired me with her image of moving from Coal & Steel Community to Sun & Wind #EnergyUnion"

VP @MarosSefcovic @ #EurMove



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Europe has experienced many waves of industrialisation; the future health of the economy will likely depend on how we are able to transform the energy landscape, according to Vice-President Šefčovič. He continued by pointing out that we need to learn how to use the energy better, in a greener and more cost effective way, and how all this transformation will help Europe regain its competitive edge on the world stage. The current design of the Energy Union is a deeper project than initially advocated by the President of the Council Donald Tusk at the beginning of his mandate.

The new structure of the Juncker Commission allowed for inter-DG cooperation, exchange of political experience and contribution from 14 Commissioners and 16 Directorates General, which were able to give their input from the very first moment. This strategy can be perceived as the most holistic and likely approach towards the energy production, distribution and consumption. A few years ago one might have spoken of the energy and climate initiatives as “walking hand in hand”, but today we perceive them as closely accompanied by transport, competition and structuring of prices, trade, regional funds, social affairs – mutually reinforcing one another and, at the same time, complementing dimensions. Aside from diverse intra-Commission input, we cannot neglect the wide consultations and advice given by a wide plethora of stakeholders: MEPs, NGOs, national and local governments.

Vice-President Šefčovič emphasised that the winners of the triple-win Energy Union strategy are citizens, businesses, and the environment. He noted that the Europeans are tired of shifting energy prices and annual summer talk about winter fuel prices. Thus, the Energy Union must be based on solidarity, transparency and trust – and the Commission is currently dedicating all efforts to convincing member states and overcoming political and administrative obstacles. This joint endeavour can lead Europe to a smart revolution similar to the one America had with its shale gas, based on the enforcement of smart grids. Thus, the aim should be to optimise the EU “five pillar” strategy on the path to the Energy Union.



The Q&A session which followed the Vice-President's keynote speech was moderated by Mr Jo Leinen, who started by thanking Maroš Šefčovič for leading the Energy Union project which helps make Europe visible on global agendas. The questions and comments from the audience touched upon a variety of issues connected to the Energy Union. Citizens were pictured as the drivers of change: in order for the project to succeed and enhancement to take place, they need to push both EU institutions and their national governments. Alongside this a change of mindset of national policy makers is also needed in order to progress from national to European terms in energy-policy thinking. The European citizens, as more active and better consumers, will become the masters of

smart grids, which will consequently lead to pressure for better prices and services. In evidence to this the Vice President suggested, “let us do it together”, and thus not treat the Energy Union as uniquely the Commission's project.



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Maroš Šefčovič @MarosSefcovic · Mar 18
"Citizens are at the core of #Energyunion transformation.
'#EnergyEfficiency first' principle abt to become a reality!"
@EMInternational

Maroš Šefčovič @MarosSefcovic · Mar 18
Great opportunity to talk to diverse crowd at @EMInternational. Thx
@jo_leinen for invitation!

to create billions of euros worth of investments and not only investments of millions? The problem of small scale investment was also brought up by Robin Welling, ESTIF President (on behalf of the Renewable Heating and Cooling Industry: AEBIOM, EGECE, ESTIF) in his closing remarks. He called on the Commission to decentralise energy investment and grant citizens more decisive power and abilities to participate in a small scale financing.

An intervention from Greenpeace further pointed out that, whilst smart grids can indeed give Europe a competitive advantage over the American shale gas revolution, the question still remains, how to convince the member states to choose solutions which are not just marginally better than what we currently have, simply by using the 'Energy Union' argument? "Making Europe independent not only from Russian gas, but from Russian gas and gas from Azerbaijan is a marginal improvement", said Mr Riss and posed a question on how it might be possible to convince the EU 28 to invest money in other sustainable energy projects, like houses, rather than in expensive infrastructure, which will not make much difference to the overall energy and climate picture.

Maroš Šefčovič @MarosSefcovic · Mar 18
"We need to support and accelerate the smartening of our grids in Europe" #SmartGrids @EMInternational

affordable energy. The question remains, however, of how to increase the share of renewables in the Energy Union, alongside other projects aiming to increase the diversity of supply, such as the Southern Gas Corridor. With this in mind it is necessary to make offers much more concrete and targeted, and successfully address energy poverty.

Vice-President Šefčovič summed up the discussion by referring to the issue of transparency, not only relating to the Commission leading an open process with full stakeholders' engagement, but also the transparency of energy bills – at the grassroots level, work needs to be carried out to show citizens how much energy costs and how it can actually be saved. Investment in energy efficiency and self-management of the energy bills empowers consumers and allows them to be the masters of their own situation.

In his intervention Pedro Dias, Secretary General of ESTIF, paid attention to the fact that EU citizens are not only consumers, but also investors and producers, as they produce heat at home. We need to engage them and let them take part in the change; the problem which arises here is the necessary pre-investment. Smart financing for smart cities sounds like a good idea, but a question arises – how can the EU actually support more investment amongst citizens, encourage the use of renewables, and thus energy efficiency,

Maroš Šefčovič @MarosSefcovic · Mar 18
Always a pleasure to exchange thoughts w engaged citizens
@EMInternational



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This statement related to yet another theme of the discussion, which is tackling energy poverty amongst European citizens. The European Biomass Industry Association's representative advocated for a long term solution for heating in a form of cheap fuels – biomass, sun, wind –



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Click [here](#) to watch the post-briefing reactions by Robin Welling, ESTIF President and EMI President, MEP Jo Leinen, prepared by our partners from [AEBIOM](#). For photos from the event, you may also click [here](#).

 Maroš Šefčovič retweeted



AEBIOM @AEBIOM · Mar 19

Reactions to @MarosSefcovic speech during @EMInternational briefing
[youtube.com/watch?v=mv76dn...](https://www.youtube.com/watch?v=mv76dn56z2M) @jo_leinen @AEBIOM @ESTIF_Solar
@EGEC_geothermal



YouTube



Reactions to Maroš Šefčovič keynote speech during EMI's briefing...

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Maroš Šefčovič's Speech at the EMI Briefing 18 March 2015

-Check Against Delivery-

Ladies and gentlemen,

I would like to start by thanking Jo Leinen for inviting me to today's Briefing. I am particularly delighted to see that the topic we will discuss - Energy Union – interests so many of you.

And all the more so, in the framework of the European Movement. For nearly 70 years, this organisation has been making a decisive contribution in shaping the debate on European integration. By involving a pluralist spectrum of actors, it has helped addressing the pressing challenges of our times.

To me, the history of the European Movement reflects that of the European project. And the civic engagement spurred by your activities is key to driving the EU forward.

It was therefore particularly important for me to have this opportunity to present to you the Energy Union Strategy and discuss the way and challenges ahead for the EU.

As I am sure you know, two weeks ago the European Commission adopted its Energy Union Strategy. I then called it the most ambitious energy project since the European Coal and Steel Community of the 1950s. Because what we want to achieve is nothing less than a fundamental transition of our energy system. We want to transform national mind sets into a genuine European way of thinking, of working, of living.

We want to set our economy on a new, sustainable trajectory.

Such an overarching strategy can only succeed if we work together across institutions and stakeholders at all levels: European, regional, national and local. In this same spirit we worked together within the Commission, across portfolios, bringing together 14 Commissioners and 16 DGs. I am therefore very grateful for the opportunity to discuss the Energy Union directly with parliamentarians from across Europe, civil society, businesses, social partners, political parties, regions, think tanks, and others.

Including all constructive contributions will be crucial to achieve the goals of this forward-looking energy and climate change policy.

Ladies and gentlemen, the Energy Union is a big step towards an energy market that is economically sustainable, environmentally friendly, and socially inclusive.

An energy market that is integrated, interconnected, resilient and secure.

It is a 'triple win' strategy, because it will benefit citizens, businesses, and the environment.

We set out a series of concrete actions – both legislative and non-legislative – in the five dimensions that I had presented to the European Parliament in my hearing. I am hopeful that during this week's Summit, the European Council will also endorse.

The five dimensions are the following:

- First, securing our supply. Member States, and citizens, should know that they can rely on neighbouring countries when faced with possible energy supply disruptions. That is what the word 'solidarity' is all about; that is how we can build more trust between Member States.
- We are also working on a series of actions to diversify our energy sources, suppliers and supply routes. Yesterday, for instance, I attended the ground-breaking ceremony of the Trans Anatolian Natural Gas Pipeline (TANAP), in Kars, Turkey; a project that will bring gas from Azerbaijan's Shah Deniz II field through Turkey, into Europe. It is this kind of projects that we need and that the Commission intends to support.

But however important gas will remain for years to come - security of supply means much more than only that. First and foremost, security of supply means becoming more energy efficient, knowing that for every 1% improvement in energy efficiency, EU gas imports fall by 2.6%.

- Energy security also means: building a single energy market will allow energy to flow freely across EU countries as a fifth European freedom. This internal market is the second dimension of the Energy Union Strategy. By removing technical and regulatory barriers of cross-border energy flows, consumers will enjoy the fruits of an increased competition – lower prices, greater choice and better service!
- The remaining 3 dimensions go hand in hand with security of supply and the internal market. Increasing energy efficiency, decarbonising our economy and investing in innovative renewable sources of energy – it all works together.

This covers a very broad range of issues, which will require the full involvement of many commissioners. Let me just mention three issues that I intend to give a serious push in the weeks and months to come.

First, tapping the full potential of energy efficiency of buildings. Figures clearly show why more action is needed in this field: currently, 75% of Europe's building stock is not energy efficient. At the same time, buildings are responsible for 40% of the EU's energy consumption and 36% of its CO₂ emissions. About 35% of our buildings are over 50 years old, making them extremely energy-consuming! While older buildings consume about 25 litres of heating oil per square meter per year on average (some even up to 60 litres!), new buildings only need three to five litres on average. So we can – and should – do better.

Second, as the importance of the local level increases, we should pay more attention to initiatives at the local level, of course in full respect of the principle of subsidiarity. Smart Cities are an excellent example of how the local level can play a major role in the transformation of the energy market that we're looking for. I have met with impressive delegations of mayors who shared several good examples of successful initiatives from all over Europe. Let me give you just a few examples:

- the German city of Heidelberg created an entire neighbourhood with only "passive buildings", i.e. ultra low energy (in the city quarter of Bahnstadt). The entire neighbourhood is powered by district heating, primarily sourced from renewables with smart energy consumption meters, creating local jobs and a passive housing knowledge cluster for future projects.
- Helsinki is a leader in heating and efficiency standards. 90% of the city is serviced by the district heating system with over 90% efficiency.

- In the north of France, the city of Loos-en-Gohelle (Pas-de-calais) transformed its coal mine into a regional research centre of sustainable development. Visitors now face the surreal image of solar panels in front of the mine's spoil tips;
- and I could go on and on...

These examples showcase the various local initiatives which should be replicated across Europe, and I would add: with a particular emphasis on Central and Eastern Europe.

And third, we have to develop an energy and climate-related technology and innovation strategy to maintain Europe's global leadership and competitiveness in low carbon technologies. Europe has all the elements to become a global hub and a world leader in renewable technologies. It is in exactly in these fields that Europe can regain its competitive edge: in the field of low-carbon renewable energy sources, in the field of energy efficiency, in the field of smart appliances and smart grids!

We must better focus our research and innovation policies, we must better coordinate with the Member States, we must create synergies between energy and ICT, and between research and industry. New industries will emerge that will strengthen our economy and further support job creation across Europe.

It is in this context that I would also like to underline the importance of ecodesign and energy labelling. The energy savings that this framework will deliver by 2020 are roughly equivalent to the annual primary energy consumption of Italy. Ecodesign will save consumers hundreds of euros every year. And of course, ecodesign makes is economically viable as there is a clear business case. If major markets, such as Brazil, China, Korea, and South Africa, adopt equipment energy labelling schemes similar to ours, this will create a favourable market for European companies. Let us be the game changer who set the standards!

Ladies and gentlemen, the Strategy is written, the principles have been established, yet, the real work starts now. We will start up a series of specific actions, such as:

- developing a 'Smart Financing for Smart Buildings' initiative to facilitate access to existing funding instruments;
- we will propose a strategy for heating and cooling; it's an important hook, because the energy crisis is first and foremost a heating crisis;
- we will dedicate a significant share of the European Fund for Strategic Investments to energy efficiency and renewable energy;
- we will review the Energy Efficiency Directive, as well as the Directive on Energy Performance of Buildings;
- we should bring together potential investors and solid projects. There are investors willing to invest, and there is a need for smart investments, so let us connect the dots and remove the obstacles;
- and we will develop, without delay, the robust governance framework that the Energy Union needs in order to deliver on its promises. This includes making sure that we reach the targets set by the October European Council. We will start already this year with the adoption of an annual "State of the Energy Union". A sound basis for discussion with the European Parliament, with the Member States and stakeholders.

Through these and other measures, we will make sure that the principles we endorsed – such as the 'energy efficiency first-principle' – are transformed into reality, a reality that benefits the citizens of Europe.

Ladies and gentlemen,

The first reactions to the Energy Union Strategy have been positive and supportive, in the European Parliament, the Environment and Energy Council, amongst mayors, consumers, business associations, think tanks, and academia.

Do not underestimate the importance of such reactions: they really help create the positive dynamics that we need to carry the project forward and implement what is on the table. The Energy Union project is a genuine shake-up of our energy systems and, more generally, of our ways of working and living.

Together with the Commissioners from my project team, we will continue to engage with civil society, the European Parliament, the Member States, social partners, EU citizens, to make sure the European Union does not stay in Brussels arcades.

We are at a critical juncture - the implementation stage. And we need to make it happen.

It is with this in mind that I very much look forward to your comments and ideas.

I thank you for your attention.



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