

ENERGY SOLIDARITY IN EUROPE MOVING TOWARDS A EUROPEAN ENERGY COMMUNITY

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On the 20 September 2013, on the occasion of the informal Council meeting on EU energy policy under the Lithuanian presidency of the EU, *Notre Europe - Jacques Delors Institute*, Vytautas Magnus university and the Lithuanian Atlantic treaty association, with the support of the Ministry of foreign affairs of Lithuania, organised a high level conference in the Lithuanian parliament in Vilnius. The aim of the event was to discuss the future of European energy policy, and the policy proposal for a “European energy community” put forward by *Notre Europe - Jacques Delors Institute* and endorsed by Jacques Delors and Jerzy Buzek. During the conference Prof. Jerzy Buzek delivered a keynote address on the recent positive developments regarding the implementation of this proposal and the ways the EU is moving towards a single European energy community.

Introduction - the importance of energy policy in the EU

Congratulations on the choice of the title of the conference. It could not be more appropriate! In Poland in the turbulent 1980’s we used to say: “there is no freedom without solidarity!”. Today we can justly say: “there is no energy security without solidarity”.

I am indebted to the Lithuanian presidency for choosing energy issues as its main priority. For the past nine years, since the very beginning of my work at the European Parliament in 2004, I have been calling for an integrated approach to energy. I have been always strongly convinced that we can create a Common energy policy (CEP) whose importance will match that of the Common agricultural policy (CAP).

We are meeting here, in Vilnius, because in this semester Lithuania presides over the work of the European Union (EU). But it is also deeply symbolic that we came here to speak about energy solidarity. Because Lithuania is the best example of what a lack of energy solidarity looks like. We are standing on firm land, and yet we are on an island. An energy island. Lithuanians understand very well, more than many other EU nations, what it means to be isolated from the EU networks, and how urgently we need to handle this challenge.

I find it very important that this conference is part of the informal meeting of energy ministers. The informal council is discussing some crucial elements of the

energy policy, such as the projects of common interest to be announced in early October. I would like to express my gratitude to the organizers for gathering us here. My big thanks go to *Notre Europe - Jacques Delors Institute*, Lithuanian Atlantic treaty association and Vytautas Magnus university.

In the past months, long before the presidency, I had several occasions to discuss energy issues with Lithuanian Prime minister Algirdas Butkevičius and members of his cabinet, including minister Jaroslav Neverovič. In May, the international association Central Europe energy partners (CEEP) organised the Vilnius Energy summit, which was another excellent platform for discussion as well as a most adequate introduction to the presidency.



1. The European energy community: vision

I am very glad to see the “European energy community” (EEC) mentioned in the title. Three years ago, when I proposed as president of the European Parliament (EP), together with Jacques Delors, this initiative, we based it on three pillars: an integrated Internal energy market (IEM) that will provide the necessary infrastructure (particularly trans-border interconnectors) and will give the possibility of free and fair energy trade and will eliminate energy islands; joint research on new energy technologies and the possibility of coordinating energy purchases from outside the UE. The end goals of the EEC are security of energy supply, competitive prices and efficient environmental protection.

Three years have passed since we proposed the creation of an EEC. Both as president of the EP and later on, I promoted its implementation wherever I could. I discussed it with heads of all member states (MS), with energy stakeholders and with experts. I also obtained the support of president Barroso and commissioner Oettinger for this political initiative, which was probably decisive for the creation of a European energy community.

2. Paving the way for the EEC: legislation

We have recently made considerable progress in creating a legislative framework to make the EEC reality. To name but a few examples:

- Security of gas supply regulation (2010);
- Strategy for the EU’s external relations in energy (2012);
- Information exchange mechanism on intergovernmental agreements between MS and third countries in the field of energy (2012);
- Energy efficiency directive (2012);
- Safety recommendations for nuclear energy (2012);
- Regulation on guidelines for trans-European energy infrastructure (2013).

Probably the most important decisions were taken thanks to the European Council (EC) conclusions on

energy of 4 February 2011, as repeated at the summit on 22 May 2013. I am very grateful to President Herman van Rompuy for inviting me to a close cooperation in the preparation of the draft of those conclusions. It should be duly noted that currently no new EU legislation appears to be needed - all the necessary laws are there. What is necessary is an urgent implementation of all existing legislation by member states. It was underlined both in the EC communication of 2012 and in my EP report on Internal energy market of this year 2013.

3. Paving the way for the EEC: funding

We have also secured funding of the energy policy from the Multiannual financial framework for 2014-2020 - both for creating well-connected EU energy market and for best technologies. It includes 5,1 billion € for trans-European infrastructure under the new “Connecting Europe facility” instrument, about 5,4 billion € - for research on new energy technologies from “Horizon 2020” as well as structural funds, especially for energy efficiency.

4. Internal energy market as a crucial part of the EEC implementation

We have set out the vision, we have adopted the necessary laws and we have secured the funding. But we will not achieve stable, affordable and clean energy without the Internal energy market.

This market will guarantee that **energy** for Europeans and for European economy will be:

- **Secure and stable**, owing to more interconnections between member states, to a better prevention of supply crises and to coordination in joint purchasing, as well as thanks to a stronger negotiation position in talks with external suppliers.
- **Affordable**, which means possibly lower prices, improvement of individual consumers’ condition (better control of energy consumption, more transparent bills, easier switching between suppliers and price comparison), and an increasing competitiveness of EU businesses.
- **Clean**, because a well-connected, open, competitive and well-regulated IEM will enable a rational and sustainable implementation of EU environmental and climate policy. By the way, the climate policy until 2030 is another topic of the informal council meeting here in Vilnius:

I am glad that last week the European Parliament almost unanimously adopted my report on the IEM. This is another step forward. In the report, I called for the following:

- **Full use by member states of the potential of all their indigenous energy resources** and harmonization of the supporting schemes for renewable energy sources. All existing incentives for any kind of energy should be gradually stopped. Joint European research on new technology should be broadly undertaken.
- **Unbundling of gas prices from oil prices**, as the price indexation is a completely outdated system that kills our competitiveness. We must do our best to renegotiate the long-term contracts and certainly avoid the oil-indexation mechanism when signing new contracts.
- **Stopping - step by step - energy price regulation** with broad support of vulnerable consumers.
- **Integration of existing infrastructure** and building new infrastructure, particularly transborder interconnectors, using both private and public (national and European) funds.
- **Implementation of all transmission codes** and other necessary decisions, making IEM work and granting fair access to all players.
- **Empowering consumers** - both individual and corporate, by giving them possibility to use all the Information and communication technologies (ICT) advantages, simple and clear bills, easily accessible information, possibility of choosing the producers and suppliers of energy **and possibility of microgeneration as prosumers**.
- **Urgent implementation of the relevant law** - especially the 3rd Energy package. And we expect the European Commission to use all available means to motivate EU countries to accomplish this task. International companies from outside the EU should comply with the same rules, like ownership unbundling and competition.

Concluding

Cheap energy is a precondition for EU competitiveness, and thus for growth, for the creation of new jobs, and for an increase of the welfare of EU citizens. It is one of the only three possible exit strategies from today's crisis (along with single market and innovation).

Before we complete the Internal energy market, we cannot consider the European energy community, initiated as a matter of fact over 60 years ago - with European coal and steel community - to be fully accomplished.

The broad support of more than 90% of MEPs for the report on Internal energy market clearly indicates that energy policy is significant in integrating all of us, Europeans.



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