

Energy Union as a Vehicle for Enhancing Freedom, Security and Growth

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The European People's Party (EPP) continuously strives to safeguard the security and prosperity of our citizens. We welcome the creation of the Energy Union in Europe to help us deliver on this commitment and boost competitiveness and growth while creating jobs for Europeans. Reforming our energy policy is crucial and will benefit individual consumers as well as our industries and businesses. Moreover, diversifying our energy supply routes and sources will enhance our energy security and provide our economies and societies with secure, affordable and competitive energy supplies.

In order to progress towards the creation of the EU Energy Union, the EPP calls for:

Security through solidarity

Energy policy is a question of strategic importance. There can be no prosperity without security. Since energy is used by unstable and undemocratic states as a tool of political pressure, energy solidarity is a prerequisite for any effective internal and external energy policy aimed at the security of supply, transit and investment. Potential disruptions require stronger solidarity, cooperation and support among the EU Member States, including emergency reverse flows. In order to enable energy to flow freely across borders, the EPP calls for the modernisation of infrastructure and an increase in the number of interconnectors in line with the EU targets. Together with diversified energy supplies and technologically updated pipelines allowing for reversing the flow of gas, this would enable us to eliminate energy islands and provide our citizens and industries with reliable and affordable energy.

A common integrated energy market through enhanced regional cooperation

We need to support long-term investment in energy by increasing market predictability and entrepreneurial confidence in Europe. We need to ensure lower energy prices free from political interference and respecting the EU and WTO rules. The creation of a favourable, stable and competitive legal environment would further the reindustrialisation of the European economy. The EPP is committed to creating a truly common, integrated energy market and, above all, calls on all Member States to fully transpose and implement the necessary existing legislation on energy market liberalisation and the transparency of commercial contracts which may impact the EU's energy security. Full compliance of all agreements with EU law must be assured and reinforced, notably by reinforcing transparency of such agreements and their compatibility with EU energy security provisions. The EPP welcomes the proposals concerning the participation of the European Commission in IGA negotiations as an observer as tool of strengthening the cohesion and coordination of EU energy policy. The EPP calls for an effective enforcement of EU competition rules in the energy sector, including the long-pending Gazprom case.

The EPP encourages intensified regional cooperation between Member States as the first step in the creation of the Energy Union. Removing bottlenecks and connecting existing energy islands by identifying and prioritising investments into key cross-border infrastructure projects should be a priority, along with simplifying the permitting procedures. The EPP welcomes the on-going efforts to improve the energy interconnectivity of the Iberian Peninsula and France, as reflected in the declaration of the Madrid Energy Interconnections Summit, with the view that enhanced regional market integration will also naturally drive forward the harmonisation of rules on capacity allocation and congestion management. The EPP supports the creation of demand aggregation mechanisms on a voluntary basis as a tool for strengthening the EU's negotiating position towards state-run and politically motivated monopolistic suppliers.

Ensuring competitiveness and low energy prices

Our buildings, transportation and the products we use offer vast potential to limit the EU's vulnerability while saving energy and curbing our consumption. The EPP emphasises the need to rethink the way we consume energy and use our resources while providing opportunities for European companies to become leaders in manufacturing efficient and sustainable products. The EPP supports the transition towards sustainable, low-carbon technologies and wants European companies to take the lead and become market drivers while creating new green jobs and stimulating research and innovation in Europe. Ensuring low energy prices for the final consumer is necessary to maintain the competitiveness of European industry in the globalised economy and to prevent carbon leakage. To this end, the effective utilisation of existing EU funding schemes must be assured. Moreover, the Energy Union should be one of the priority areas for investment via the new EU Investment Plan.

Consumer-empowering approach to energy policy for the new digital age

The EPP calls for a consumer-centred, market-based energy policy based on demand in view of increasing competition among energy providers and enhancing market transparency by harmonising the rules for accessing the network and removing the technical and administrative burdens. Pricing systems need to become more transparent and the system of regulated tariffs reviewed based on the market-based solutions. We want our citizens to play an active role and be able to choose their energy providers based on the retail price and their own energy needs. In line with the EU's digital single market agenda and with emphasis on privacy protection, new technology such as smart meters and appliances will be key in providing consumers the relevant tools to control their energy consumption.

Towards a low-carbon economy

By reducing our dependence on external energy sources, supporting generation from renewable energy sources, modernising our heating and cooling sector, promoting creation of smart grids and reforming the Emissions Trading System (ETS), the Energy Union will be part of our answer to meeting the EU's 2030 climate and energy targets as adopted by the European Council. The EPP also backs a comprehensive structural reform of the ETS as the primary mechanism for reducing emissions in a cost-effective and market-based way, while protecting our industrial base in the face of global competition. Furthermore, it is our priority that the EU continues to speak with one voice, maintains its international leadership on climate change and promotes dialogue with international partners within the UNFCCC especially in the run up to the COP21 in Paris.

Diversification of energy supply routes and sources

Energy dependence on Russia, temporary disruptions of gas supplies in the past and current aggression against Ukraine urge us to strengthen the EU's energy security. The EPP calls for the diversification of not only routes but also energy sources. Considering the abandonment of the South Stream project, as it is not politically and economically viable, we reiterate our support for the Southern Gas Corridor and encourage investment in view of enhancing our energy security. Furthermore, manipulation of energy supply for geopolitical purposes ought to be prevented through the inclusion of an "energy security clause" in trade and cooperation agreements with producer and transit countries, and outlying measures ought to be taken in the event of disruption or the unilateral change of terms of energy supply.

Moreover, we support further development of the EU- Mediterranean Platforms on Gas, Regional Electricity, Renewable Energy and Energy Efficiency in view of consolidating a fully-fledged Euro-Mediterranean Energy Partnership. We strongly emphasise the full potential investment of the Levant Basin in the Eastern Mediterranean region, which have considerable recoverable natural gas resources. At the same time, the EPP supports the sovereign rights of Member States to explore and develop their natural resources. We acknowledge the potential contributions of shale gas extraction to the EU's energy independence, provided that environmental impacts are properly assessed and the best available techniques for extraction are deployed with the highest regard for safety in each Member State that chooses to pursue this path. A new strategic energy partnership with Turkey aimed at the construction of the Trans-Anatolian and Trans Adriatic pipelines would also strengthen the EU's energy security.

The further development and exploration of affordable indigenous energy sources should be combined with the deployment of carbon capture and storage technologies. In addition, the EU should adapt its infrastructure to be better equipped to import liquefied natural gas to further diversify our supply sources. The EPP calls for a swift review and further strengthening of SOS gas regulation, providing for greater EU solidarity and enhanced capacity for joint action in the event of energy security threats.

A better consolidated European energy neighbourhood policy and energy diplomacy

The EPP calls for the development of a more cohesive energy policy as a part of the Common Foreign and Security Policy. The development of a better consolidated European energy neighbourhood policy ought to be aimed at a greater degree of independence while safeguarding access to energy. We have to strengthen the Energy Community and include energy security in the ongoing European Neighbourhood Policy review. Furthermore, the cooperation with our neighbours must constitute not only of aiding them in adapting our standards but also investing in their energy efficiency in order to minimise the transmission losses and reduce the inefficiencies. An establishment of a common legal area based on acquis-related norms and principles of the common market would serve as a basis for the long-term security of transit and supply. The EPP welcomes the opening of U.S. energy exports to the EU market and calls for the introduction of the energy provisions within the Transatlantic Trade and Investment Partnership (TTIP) agreement.

CONCLUSIONS

The Energy Union is a great opportunity for the EU to advance in securing and diversifying its energy independence and security of supply while establishing an integrated energy market providing the citizens with the tools to rationalise their energy consumption. The EPP supports a bottom-up approach to cross-border cooperation reinforced by implemented harmonisation legislation. Investments in infrastructure and support for new low-carbon technologies should be based on the demand for energy and should be driven by the market. To this end, the ETS must be comprehensively reformed. True solidarity, hand-in-hand with modernised infrastructure, will further decrease the EU's vulnerability to supply cuts and will prevent energy from being used as a tool for political leverage by monopolistic suppliers like Russia. We call for a comprehensive external energy policy aimed at the development of new supply sources, including the Mediterranean energy hub and the Southern Gas Corridor, as well as strengthening the partnership with the U.S. and further increasing LNG imports.

**If you have any question
you would like to ask
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