



ESCENARIO ENERGETICO EN LA UNIÓN EUROPEA

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In November 2000, the European Commission launched a public debate on the security of energy supply. The debate was structured around an analysis put forward in a Green Paper prepared by the Commission, entitled "Towards a European strategy for the security of energy supply" (COM(2000)769).

The concept of security of energy supply developed in the Green Paper reflected the evolving energy context. This was, and is, marked in Europe by, notably, the opening up of a competitive market in electricity and gas, enlargement, and Kyoto Protocol-related greenhouse gas emissions reduction commitments. International market and geopolitical developments, particularly oil price volatility, influenced the concept put forward.

To quote: "Security of supply in the energy field must be geared to ensuring, for the good of the general public and the smooth functioning of the economy, the uninterrupted physical availability on the market of energy products at prices for all consumers, in the framework of the objective of sustainable development." Thus, the consumer viewpoint, the needs of the economy, prices as well as physical availability, and sustainable development are all reflected in the goal.

The conceptual approach in the Green Paper was one of risk management: risks of physical supply difficulties (resource exhaustion, accidents etc), of economic disruption (prices, price volatility etc), of social disturbance (eg fuel price increases), and of damage to the environment and climate. The focus was on long-term as well as short-term risks, with scenarios up to 2030.

The challenges of dealing with these risks are very considerable. Among the trends noted by the Commission in the Green Paper, the growing dependence of the European Union (EU) on fossil fuels from outside the Union was prominent. In a business-as-usual scenario, EU-25 fossil fuels import dependence is projected to increase from 47% in 2000 to over 67% in 2030. Oil price volatility and the paucity of means to influence it underline the risks involved in such external dependence. The poor effectiveness to date of measures to restrain EU fossil fuels demand growth was noted in the Green Paper.

On electricity, its increasingly essential role in citizens' lives and the economy makes its secure provision very important. In a business-as-usual scenario, EU-25 demand is projected to grow from some 3000TWh today to some 4500TWh in 2030. This implies very large investment challenges.

As regards CO₂, EU-25 emissions are projected to be 1% lower in 2010 than in 1990. However, this masks a 4% increase in EU-15 and in the longer term, EU-25 emissions



rise. The EU has ratified the Kyoto protocol and is in the process to developing joint policies for its implementation including a market for trading CO2 emissions that will start its operation in January 2005.

A strategy for reduction and mitigation of these varied risks will certainly not be simple. The approach put forward in the Green Paper focuses first on the demand side. There was virtually unanimous agreement on the strategic importance of demand management among the varied contributors to the debate launched by the Green Paper. Especially in the transport sector, reduction of demand is key.

Well-functioning internal markets in electricity and gas, supported by sufficient and efficiently-used infrastructures, have a strong role to play, with some new needs for regulation and evaluation. The recently-adopted internal energy market directives demonstrate progress in several important aspects of security of supply, notably public service obligations. The security of supply has to be reinforced by way of promoting priority **trans-european energy projects** that at the same time are the base of a well functioning internal energy market and a source of economic growth

On supply options, notably for electricity, given the various challenges to be met, the range of choices available to Member States has to be as wide as possible, without prejudice to their sovereignty in these matters. The nuclear factor remains an inseparable part of the debate. Clear answers must be made to public concerns, one of the realities which spurred the Commission's recent proposals for a Community approach to nuclear safety and management of nuclear waste. As regards new and renewable energy sources, which still represent only 6% of the EU's energy balance, promotion efforts have been too feeble so far and must be pursued further. The EU has set itself as objective that **renewable energies** represents 12% of the energy balance by 2010 with 22% of all the electricity produced with renewable sources by that same date. The promotion of **alternative fuels for transport** is a medium term element of a EU energy strategy. Longer term the use of **hydrogen** as energy carriers is the subject of a High Level Expert group as well as the subject of international co-operation.

In **international markets**, increased dialogue between the European Union and producer countries is imperative, for improving market transparency inter alia. Neighbouring countries to the European Union of today and tomorrow play a vital role in the Union's energy policy. Inter alia, they supply a major part of the Union's requirements of natural gas and, increasingly, oil. The Commission has as objectives not only enhancing security of energy supplies of the European continent, but also strengthening the internal energy market of the enlarged European Union, facilitating the realisation of major new energy infrastructure projects and encouraging the modernisation of energy systems of partner countries. Wider markets in electricity and gas would involve reciprocity in market opening and access and equivalent environmental and nuclear safety standards. The potential benefits are high - this has already become clear in the dialogues (EU-Russia energy dialogue, Euro-Mediterranean Energy Forum, and others).

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To summarise, the EU energy policy, with all its dimensions including economic, environmental and geopolitical, has important challenges and works have to advance on several fronts as summarised above.

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