EUROPEAN ENERGY UNION

As one of the European Commission’s 10 priorities, the European Energy Union will be the umbrella for a majority of European energy and climate policy for the upcoming years. The European Commission published its Energy Union Strategy in February 2015, marking a starting point for decisive legislative activity in this field. It acknowledges that “the achievement of the Energy Union requires a fundamental transformation of Europe’s energy system”.

Maros Šefčovič, Vice-President of the European Commission for the Energy Union, himself reaffirmed that “there is no other way to bring about the energy transition other than working with the local authorities.” Climate Alliance will continue working to make sure that this transformation will lead to the decarbonisation of Europe’s energy system and empower local authorities and their citizens.

What is the European Energy Union?

The idea for a European Energy Union was first launched in spring 2014 by the then Polish prime minister and current European Council President Donal Tusk. Initially intended to be centred on security of supply in the face of the Ukraine crisis, it has since evolved into a more holistic strategy, providing a general direction for energy and climate policy of the European Union. It will influence new legislation and legislative revisions in the climate and energy field for the upcoming years.

The Energy Union is one of the main priorities under the 2030 climate and energy framework, which was agreed by European leaders in October 2014 and which outlines the European energy and climate targets for 2030. (They were set for a 40% reduction in greenhouse gas emissions, and targets of at least 27% for the share of renewable energies and the improvement of energy efficiency. View the Climate Alliance resolution for an ambitious 2030 framework)

Why is it important for local authorities?

Most actions taken by the European Institutions on energy policies are and will be taken under the general label and direction of the Energy Union. The fact that a position for Vice-President in charge of the Energy Union was created for Maroš Šefčovič with the start of the Juncker Commission last November shows that this issue is considered a priority. The
European Parliament and the Committee of the Regions are also busy drafting their contributions to the Energy Union strategy.

The Energy Union has things moving on Energy and Climate policy at the European level and legislation is under review or to be newly adopted. There is a high momentum to transform the energy system which we need to make use of. Notably the reviewed Energy Efficiency Directive (EED) and Energy Performance of Buildings Directive (EPBD) that will see the light under the Energy Union will establish new binding legislation for EU Member States which local authorities will help to implement. Currently, the EED already requires a 3% yearly renovation rate of buildings owned or occupied by central government. With a revision, this could also be extended to buildings owned by local authorities. Climate Alliance will be active to make sure that these increased requirements are combined with adequate financing instruments, such as through the planned smart financing for smart buildings initiative. The translation of the Energy Union into local policies should foster the kick-start of the deep retrofitting market and mainstreaming decentralised energy supply.

**What is the European Commission’s Energy Union Strategy?**


The goal of the strategy is to move towards a European energy system that puts citizens at its core, taking a decentralized, demand-side based approach, in order to produce and consume secure, sustainable, competitive and affordable energy. The strategy acknowledges that a fundamental transformation of the energy system is needed.

It revolves around 5 interlinked dimensions:

- decarbonising the economy
- moderating European energy demand
- further integration of national energy markets
- boosting innovation and research
- energy security, solidarity and trust
What has happened since the launch of the Energy Union Strategy?

Simultaneously with the launch of the Energy Union, Climate Alliance and the other local authority networks running the Covenant of Mayors Office organised a high level roundtable event with 20 local leaders and Vice-President of the European Commission on the Energy Union, Maroš Šefčovič. It marked the start of a dialogue with the Commission and local authorities around this theme (view further details here).

Šefčovič has also started his “Energy Union Tour”, visiting all member states to demonstrate how they can benefit from the energy union and to gather feedback on how to put it in practice.

The Climate Alliance Brussels office met with Marie Donnelly, Director at DG Energy for Renewables, Research and Innovation and Energy Efficiency, to discuss how cities can help empower consumers to play an active part in the Energy Union. DG Energy is also very keen on involving the Covenant of Mayors more in this field.

On July 15 2015, the European Commission launched its so-called “energy summer package”, which is supposed to pave the way for a transformation of the European electricity market. This redesigned electricity market should enable consumers to become active players. The summer package is a bundle of different documents; most importantly a Communication entitled “A new deal for energy consumers”, and a document launching a public consultation on how to redesign the electricity market.

What is Climate Alliance’s position on the Energy Union?

While the vision of a fundamental transformation of the European energy system which will result in secure, sustainable and affordable energy, based on a decentralised approach and citizen involvement, is very much in line with what Climate Alliance has been advocating and advancing for more than 25 years, the strategy fails to outline concrete steps on how to empower consumers and local authorities, or a strong governance architecture on how to achieve an Energy Union.

This is why the European institutions need to acknowledge the role local authorities are already playing to achieve the goals of the Energy Union, and use upcoming legislation to empower them further to keep contributing to a decentralised and decarbonised energy system in strong collaboration with their citizens.

Our detailed position paper can be found here.
What are the next steps?

New legislation will be passed in 2015 and 2016, which will implement the Energy Union and have concrete consequences for local authorities. In order to prepare these legislations, the European Commission has launched two public consultations which Climate Alliance is responding to. They include a public consultation on a new electricity market design (see our reply here), and a consultation to gather feedback on the revision of the Energy Performance of Buildings Directive. Climate Alliance also attended a consultation Forum on the upcoming Heating and Cooling Strategy (see our input here) and will continue to actively cooperate with European decision makers to ensure that the members’ positions are being heard and acted upon.

European Institutions Timeline

2015:
- 25 February 2015: Launch of the Energy Union Strategy by the European Commission and High-level event co-organised by Climate Alliance involving 20 local leaders
- 15 July 2015: Launch of the “Summer Package” on market design, review of the EU Emission Trading Scheme (ETS)
- 8 October 2015: Deadline for consultation on a new electricity market design
- 13 October 2015: Committee of the Regions Plenary vote on opinion on the Energy Union
- 18 November: State of the Energy Union Speech by Commission Vice-President Šefčovič, State of the Energy Union Report by the European Commission
- 26 November: Council of Energy Ministers on Governance of the Energy Union
- 17 December: European Council to provide guidance on the implementation of the Energy Union
- Late 2015: Launch of the “Winter Package”: EU Strategy for Heating and Cooling, LNG and energy storage strategy

2016 will see legislative proposals on:
- Market design and electricity security of supply
- Renewable energy package (including new RES Directive for 2030, biomass and biofuels sustainability policy)
- Proposals for the non EU-ETS sector (Effort Sharing Decision) and inclusion of Land Use, Land Use Change and Forestry (LULUCF) into the 2030 framework