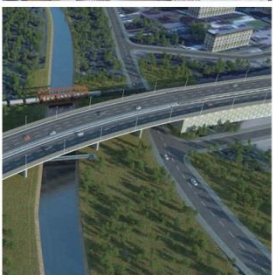
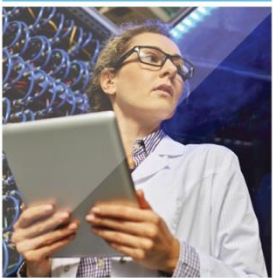




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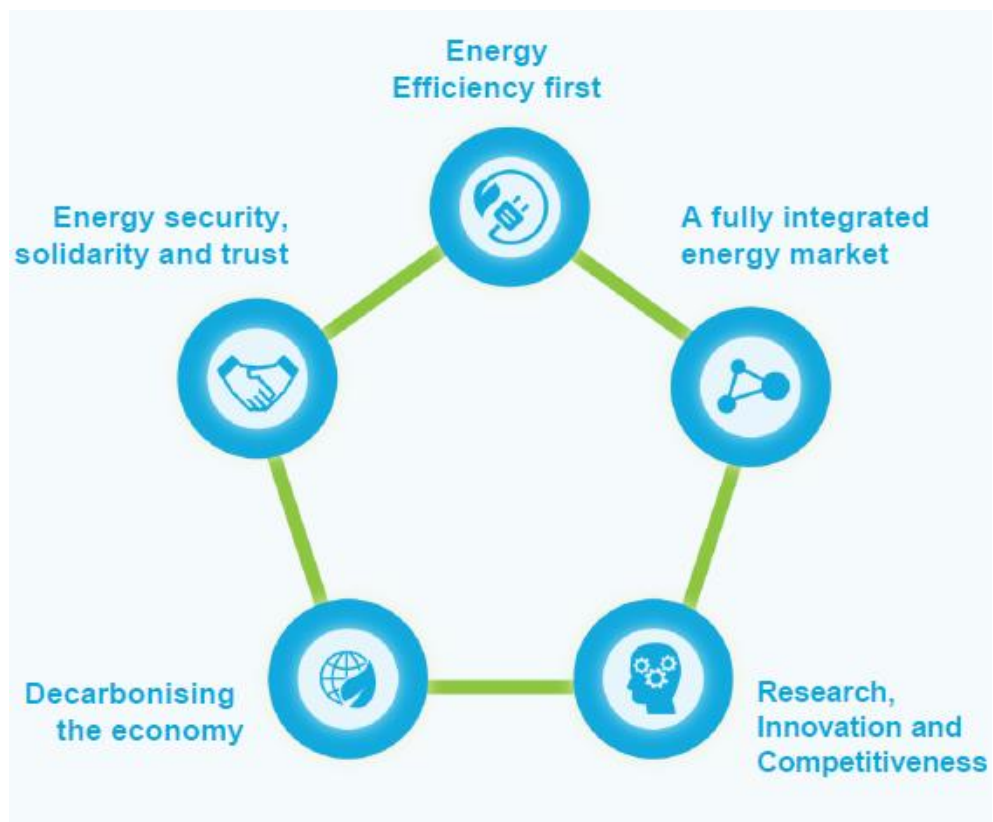
# CLEAN ENERGY FOR ALL EUROPEANS

Proposal for a Fourth Energy Package



SMART AND CLEAN ENERGY FOR ALL – IMPLEMENTING THE ENERGY UNION STRATEGY

AN ENERGY UNION BASED ON 5 MUTUALLY SUPPORTIVE AND INTERLINKED DIMENSIONS



## WHY DO WE NEED A NEW LEGAL FRAMEWORK?

THE ENERGY SYSTEM OF TOMORROW WILL HAVE TO LOOK DIFFERENTLY

2030

50 % of electricity to come from renewables



2050

Electricity completely carbon free



We have the most ambitious **climate commitments** in the world, thanks to the EU



With leadership comes responsibility

Unique opportunity to **modernise our economy**, boost competitiveness and create growth and jobs



- **Putting energy efficiency first**
- **Achieving leadership in RES across sectors**
- **Empowering consumers**

## HOW DO WE GET THERE? (1)

### THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

#### Transition....



**Energy Union  
Governance**



**Energy Efficiency**  
(Energy Efficiency Directive, European Performance of Buildings Directive)



**Renewables**  
(Revised Renewable Energy Directive)



**New Electricity  
Market Design  
and Risk  
Preparedness**



**Energy prices  
and costs  
report**

## WHY NEW MARKET DESIGN?



Improve wholesale market **flexibility** and provide **clear price signals** to accommodate penetration of renewable energies and ensure investments



Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



Promote **regional cooperation** and provide a true **European dimension to security of supply**

## NEW MARKET DESIGN

### A FAIR DEAL FOR CONSUMERS

#### BETTER INFORMED

- Access to fit-for-purpose smart meters
- Certified price comparison tool
- Clearer energy bills

#### EMPOWERED

- Entitle individuals and communities to generate electricity and to consume, store or sell it back to the market
- Easier switching conditions
- Reward demand-response

#### PROTECTED

- Monitoring of energy poverty (governance)
- Information on alternatives to disconnection
- Secured electricity supplies
- Sound data management

### MARKETS FIT FOR PURPOSE

Increase cross-border trading opportunities over shorter timeframes

Reward flexibility for generation, demand-response and storage

Scarcity pricing

Create level-playing field among sources (e.g. priority access/dispatch, balancing obligation etc.)

**Competitive wholesale market** by enhancing system flexibility

**Competitive retail market**

Flexible network management

Regulated prices phased out

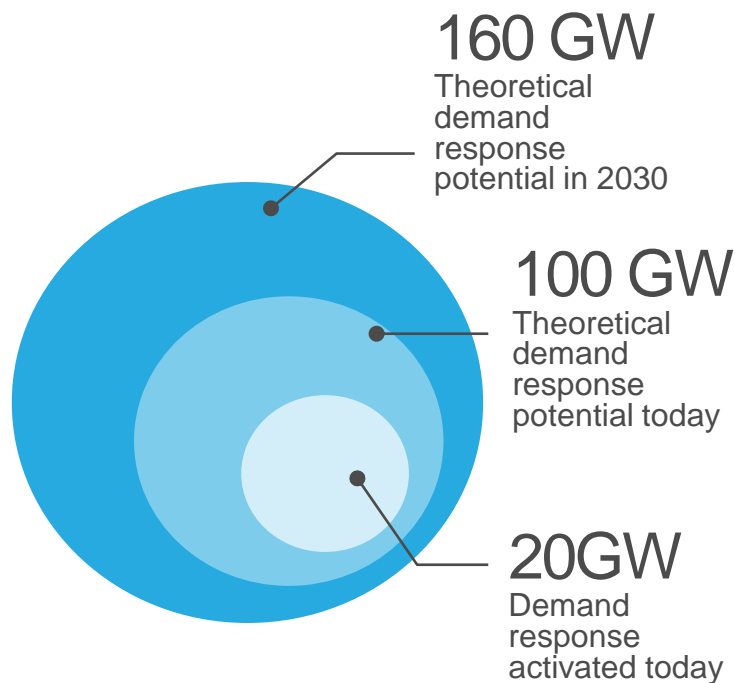
Fair market access for new market players such as new services providers

Distribution operators become neutral but active market facilitator

## THE REVISED RENEWABLE ENERGY DIRECTIVE – MAIN OBJECTIVES



## BACKGROUND – UNLOCKING THE UNTAPPED DEMAND-RESPONSE POTENTIAL



- 16 Member States maintain some form of energy price regulation for households.
- In most Member States demand response is limited due to market entry barriers towards new service providers, such as independent aggregators (which aggregate individual flexibility).
- Unlike transmission system operators, distribution system operators cannot manage their network in a flexible manner to reduce costs for the consumer.

- **Phase-out regulated prices**, only duly justified exemptions allowed.
- Ensure **fair market access for independent aggregators** and other new service providers.
- Allow **flexible management of distribution networks** through curtailment of renewables and demand response solutions.
- Set clear principles for DSOs to ensure neutrality.

WAY FORWARD

Competition within the retail energy market is key for unlocking efficient consumer behaviour and keeping the cost of the energy transition at check.



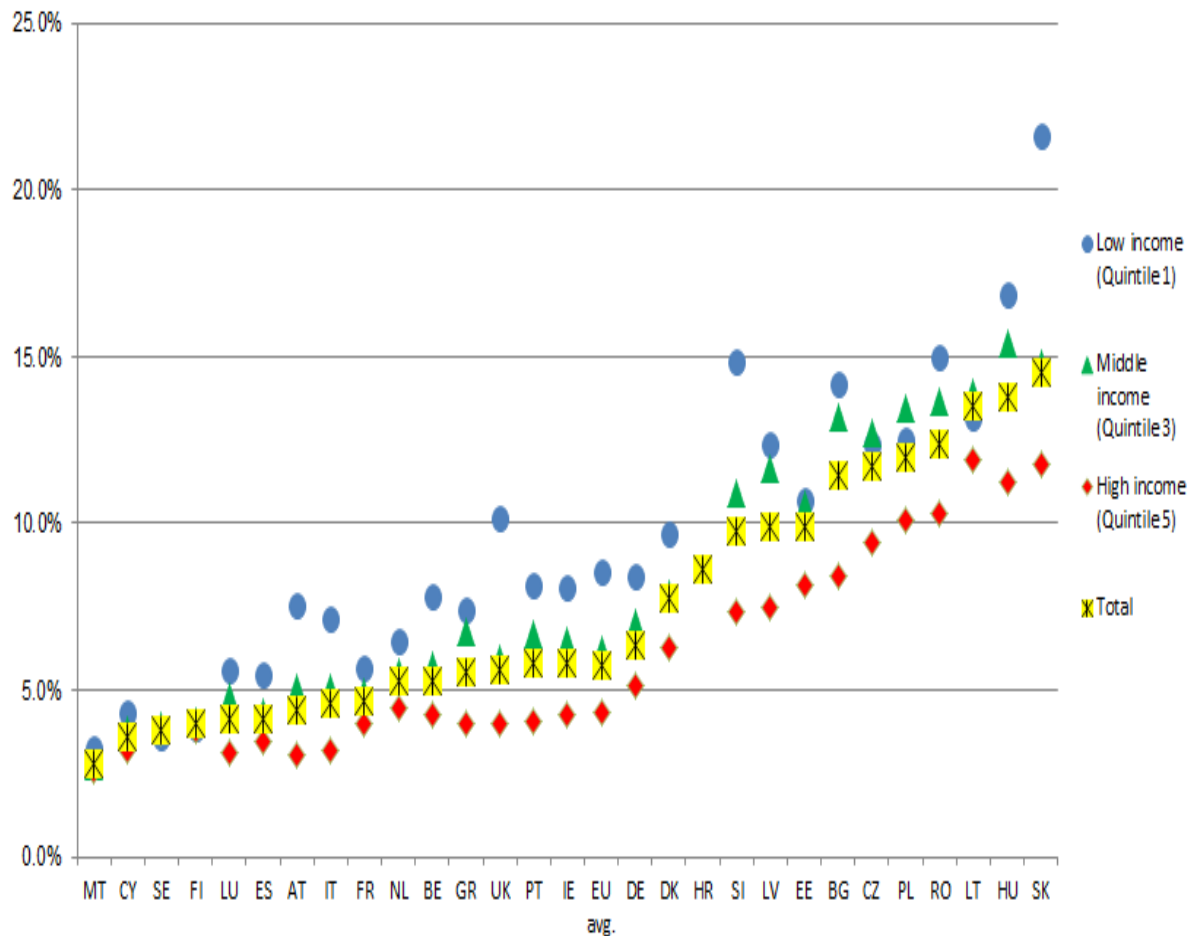
## ENERGY PRICES AND COSTS

### Key findings

- ❑ Wholesale gas, electricity and oil prices have fallen significantly since 2012;
- ❑ Retail prices rose: higher network tariffs and taxes and levies countered fuel price reductions;
- ❑ Energy costs rose for households: to 5.8% of household energy expenditure.

### Key conclusions

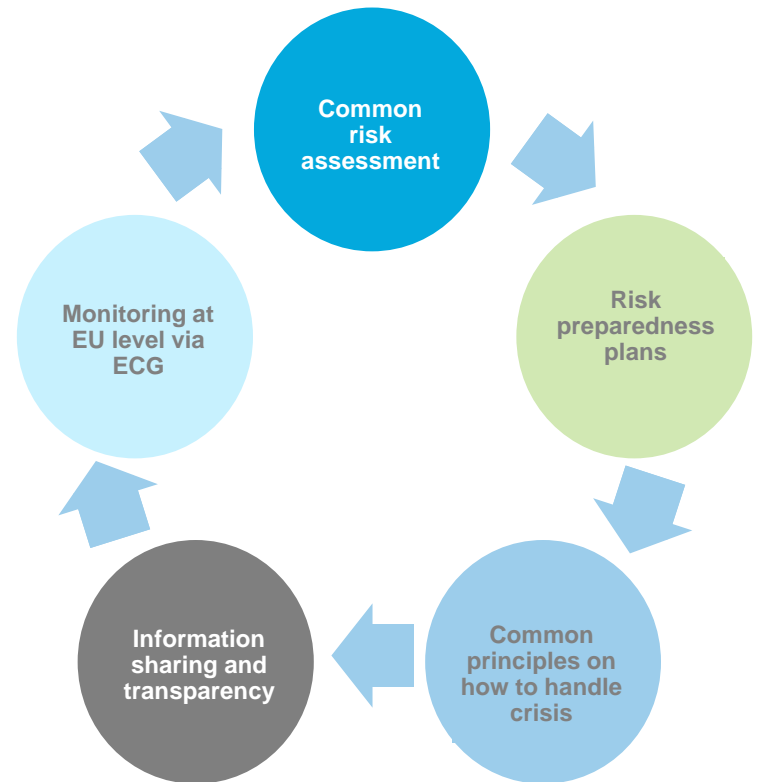
- ❑ Importance of a more competitive and efficient internal market;
- ❑ Need for greater clarity on network, tax and levy components;
- ❑ Rising households costs – Importance of energy efficiency;
- ❑ Energy intensive industries require particular attention.



# STRENGTHENING RISK PREPAREDNESS: SAFER TOGETHER

## ENHANCED COOPERATION COMES FROM COMMON RULES

<p><b>Common risk identification and assessment</b></p>	<ul style="list-style-type: none"> <li>- Common methodology for:                             <ul style="list-style-type: none"> <li>• Identifying electricity crisis</li> <li>• Assessing short-term adequacy</li> </ul> </li> <li>- Identification of crisis scenarios</li> </ul>
<p><b>Risk preparedness plans</b></p>	<ul style="list-style-type: none"> <li>- Mandatory plans and coordinated measures</li> <li>- Consultation with other Member States and Electricity Coordination Group (ECG)</li> </ul>
<p><b>Common principles on handling crisis</b></p>	<ul style="list-style-type: none"> <li>- Solidarity principle and assistance</li> <li>- Ensure market functions as long as possible</li> <li>- Non-market measures only as last resort</li> </ul>
<p><b>Information sharing and transparency</b></p>	<p>Obligation to inform EC and Member States:</p> <ul style="list-style-type: none"> <li>• In case of electricity crisis (measures and need for assistance)</li> <li>• "Early-warning"</li> </ul>
<p><b>EU level monitoring</b></p>	<ul style="list-style-type: none"> <li>- Systematic monitoring via Electricity Coordination Group</li> <li>- Harmonised indicator to monitor</li> <li>- Reporting on electricity crisis events</li> </ul>





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## Thank you for your attention