

ENERGY UNION PERFORMANCE ASSESSMENT

Towards a resilient Energy Union with a forward-looking climate change policy

Type of policy: EU strategic priority

Date of initiation: February 2015

Date of assessment: 18 November 2015

Policy elements: 5 dimensions, 15 priorities, 43 activities

Factors assessed: consistent long term goals, mobilising investment, integrated infrastructure, effective demand management, global perspective

Use this document to:

- Understand progress on the EU Energy Union Agenda so far
- Identify measures necessary to succeed

KEY RISKS

Inconsistent investment signals leading to overinvestment in high carbon energy and continued underinvestment in clean technology

KEY OPPORTUNITY

An accelerated transition to a more modern, interconnected, efficient and sustainable energy system

Expected benefits of Energy Union

Potential gains

Integrated energy markets	€40-70bn cost savings p.a. by 2030
Deep energy efficiency retrofits	32% cut in EU gas imports
Smart energy technologies	\$220bn global market opportunity by 2020
Robust governance for investor certainty	€200bn investment p.a.

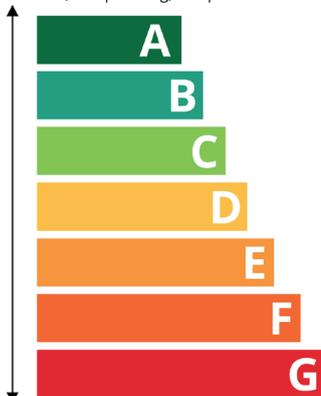


Energy Union Performance rating

Modern, energy efficient, cheaper to run, resilient, less polluting, competitive

Current

Potential



Outdated, inefficient, higher running costs, less resilient, polluting, uncompetitive



Progress has been made in establishing the direction of travel towards a resilient Energy Union with a forward-looking climate policy, and in initiating a wide-reaching set of regulatory and market reforms.

Further action is needed on clarity of investment signals into clean energy and away from fossil fuels, on integrating the energy and digital agendas, and in transitioning out of polluting and inefficient coal power.

With full implementation of the suggested measures, the EU Energy Union has a potential to achieve a Performance Grade 'A', denoting a world-leading smart, efficient, integrated, secure, low carbon energy system.

Top actions EU should take for a resilient Energy Union

Recommended measures

2016

Incorporate outcomes of Paris climate talks into EU Energy Union – including by ratcheting up ambition on GHGs, renewables and efficiency

Deliver 2030 package on energy market reform, renewables, efficiency, infrastructure and governance – and an exit strategy for coal

Implement an EU investment strategy to increase clean energy investment

Refocus energy security and diplomacy plans to be consistent with the move away from fossil fuels

Link energy into the Digital Single Market to unlock new technologies and business models

Read the full assessment at www.e3g.org/showcase/energy-union