

Andris Piebalgs  
Member of the European Commission  
Rue de la Loi, 200  
1049 Bruxelles

4<sup>th</sup> July 2006

THE SECRETARY GENERAL

Dear Commissioner,

**Re: *Green paper “A European strategy for sustainable, competitive and secure energy”***

UNICE has examined the green paper and would like to express its generally positive assessment of the impetus it gives to moving forward EU action in the six major areas considered:

- completing the internal market for electricity and gas;
- enhancing security of supply;
- diversifying the energy mix;
- integrated approach to combating climate change;
- encouraging innovation in strategic energy technologies;
- developing a coherent external energy policy.

The own-initiative opinion that UNICE published on 16<sup>th</sup> March on the development of EU energy policy addresses most of the major strategic issues covered in the green paper. For that reason, we are once more forwarding it to yourself and your services as UNICE's basic contribution to the current consultation.

UNICE fully supports the six recommendations made by the High Level Group on competitiveness, energy and the environment in its 2 June 2006 report on improving the functioning of gas and electricity markets, and would like to include them its contribution to the questions posed in the green paper. The same applies for that report's four recommendations for facilitating access to cost-effective and predictable energy prices for energy-intensive industries.

When developing EU energy strategy, the European institutions assign a heavy weight to setting quantitative objectives defined for very long-term time horizons such as overall and sectoral contribution of renewable energies, overall contribution of low-carbon and secure energies, reduction of greenhouse gas emissions, etc. Greater attention should be paid to short- and medium terms problems: creation of a truly open internal market for energy and protection of the competitiveness of energy-intensive industries in the framework of the EU Emission Trading Scheme. This is the condition for efficient development of initiatives by companies and public authorities targeting long-term challenges.

The development of an external energy policy is a very important priority for the short and medium term. It should include a strengthening of the existing dialogues with producers countries, and the launch of new partnerships. The European Commission should rapidly conclude negotiations of the Energy Charter Transit Protocol and secure ratification of the Energy Charter Treaty by Russia. UNICE also supports proposals to replace the EU-Russia Partnership and Cooperation Agreement with a full free trade arrangement that covers a broad range of issues including cross border energy trade and investment.

On the demand side, European business believes that the EU should engage a dialogue with major energy consuming countries – such as the US, India and China – to address common energy security challenges and to foster innovative approaches to promoting greater energy efficiency.

Yours sincerely,



Philippe de Buck

