



Promote a secure, competitive and climate-friendly energy system

BACKGROUND

European energy policy must coordinate and optimise actions targeting the following three objectives:

- ➔ enable users to have access to energy sources which are as diversified as possible in terms of both geography and technology, and reflect the need to reduce the carbon intensity of energy supply;
- ➔ establish dynamic competition within and between energy sectors, enabling users to benefit from the most competitive prices possible;
- ➔ address the environmental impact of energy production and use through policies reflecting a sustainable development vision.

Fully implement the internal energy market

Establishment of a comprehensive gas and electricity market is a critical factor for addressing all the energy-linked challenges. BUSINESSEUROPE calls for:

- ➔ improvements to governance through reformed competences for national energy regulators and more effective cooperation between them;
- ➔ an effective unbundling regime which creates fair and equal access to the network, and which applies in a non-discriminatory manner to private and state-owned companies while encouraging investment in new infrastructure;
- ➔ improved interconnection capacity in gas and electricity in order to reach, at least, the 10% target approved by the Council;
- ➔ open and transparent information on issues relevant for the market on all power exchanges.

A conducive framework for long-term contracts between suppliers and energy-intensive industries must be created without hindering the development of the internal energy market.

Keep all energy options open, including nuclear

The extent of the energy challenges that the EU must meet is such that it is crucial to deploy actively all the solutions offered by: (1) improved energy efficiency; (2) development of renewables; (3) use of nuclear energy; (4) use of fossil fuels supported by carbon capture and storage (CCS) technologies.

A delay in development of efficient policy measures to promote any one of these four technological resources would have very harmful effects regarding the possibility to ensure security of supply and climate protection under affordable conditions. BUSINESSEUROPE would like to see:

- ➔ support for energy efficiency in all sectors;
- ➔ utmost flexibility between sectors and Member States in order to reach the EU renewable targets in the most cost-efficient manner;
- ➔ increased R&D and innovation efforts substantially in energy technologies;
- ➔ nuclear energy allowed to compete with other sources of energy on a level playing field;
- ➔ a strengthening of the EU external energy policy.

Foster an international solution to climate change

EU policymakers have decided to lead by example with a 20% absolute reduction target by 2020, which could be extended to 30% depending on the outcome of international negotiations. Without comparable commitments in other developed countries and the mobilisation of rapidly developing regions, meeting the challenge of emissions reductions will not be possible. International climate change negotiations should be guided by the following principles:

- ➔ Mobilise all major economies to reduce emissions as soon as possible
- ➔ Establish a level playing field for industry throughout the world
- ➔ Strengthen global market mechanisms to reduce emissions, linking developed and developing regions
- ➔ Ensure all available climate technologies are developed and deployed.

Sub-priorities:

- ➔ Fully implement the internal energy market
- ➔ Keep all energy options open, including nuclear
- ➔ Foster an international solution to the climate change threat