



Energy priorities for Europe

Presentation of J.M. Barroso,

President of the European Commission,
to the European Council of 22 May 2013

New realities in the global energy market

**Impact of the
financial crisis**

**Fall in private investment,
tight financing conditions**

Fukushima



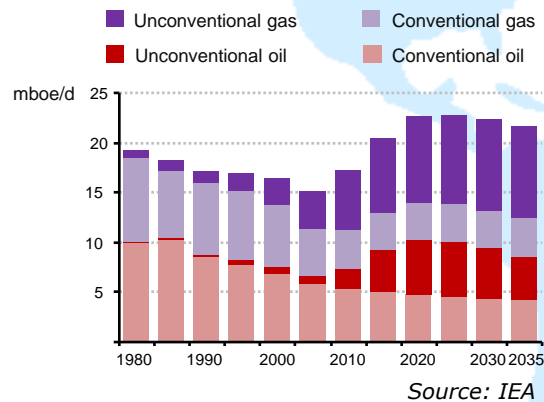
**Some countries phase out
nuclear power production**

**Rising demand
→ rising prices**

**By 2030, world economy
set to double and energy
demand to rise by 1/3**

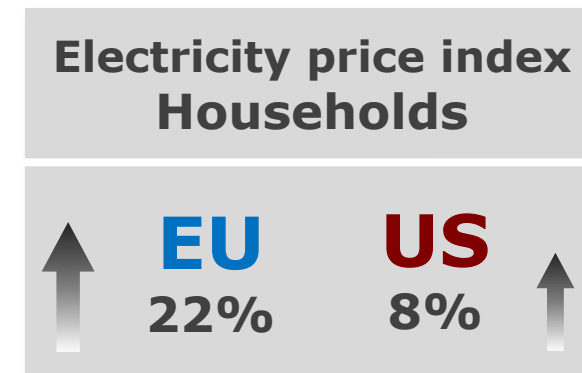
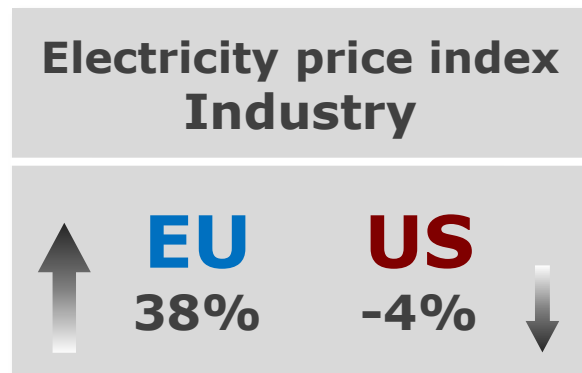
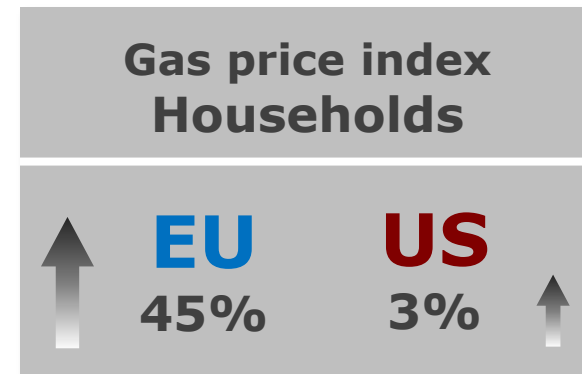
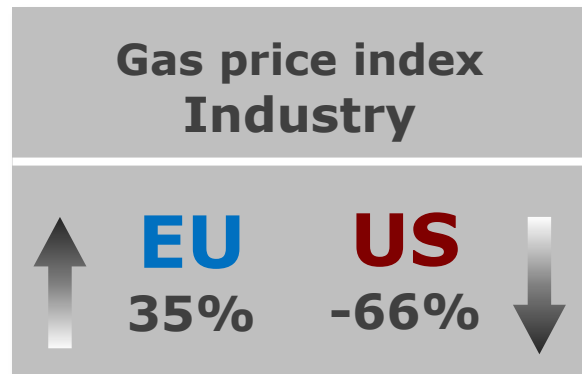
Shale gas

US oil and gas production



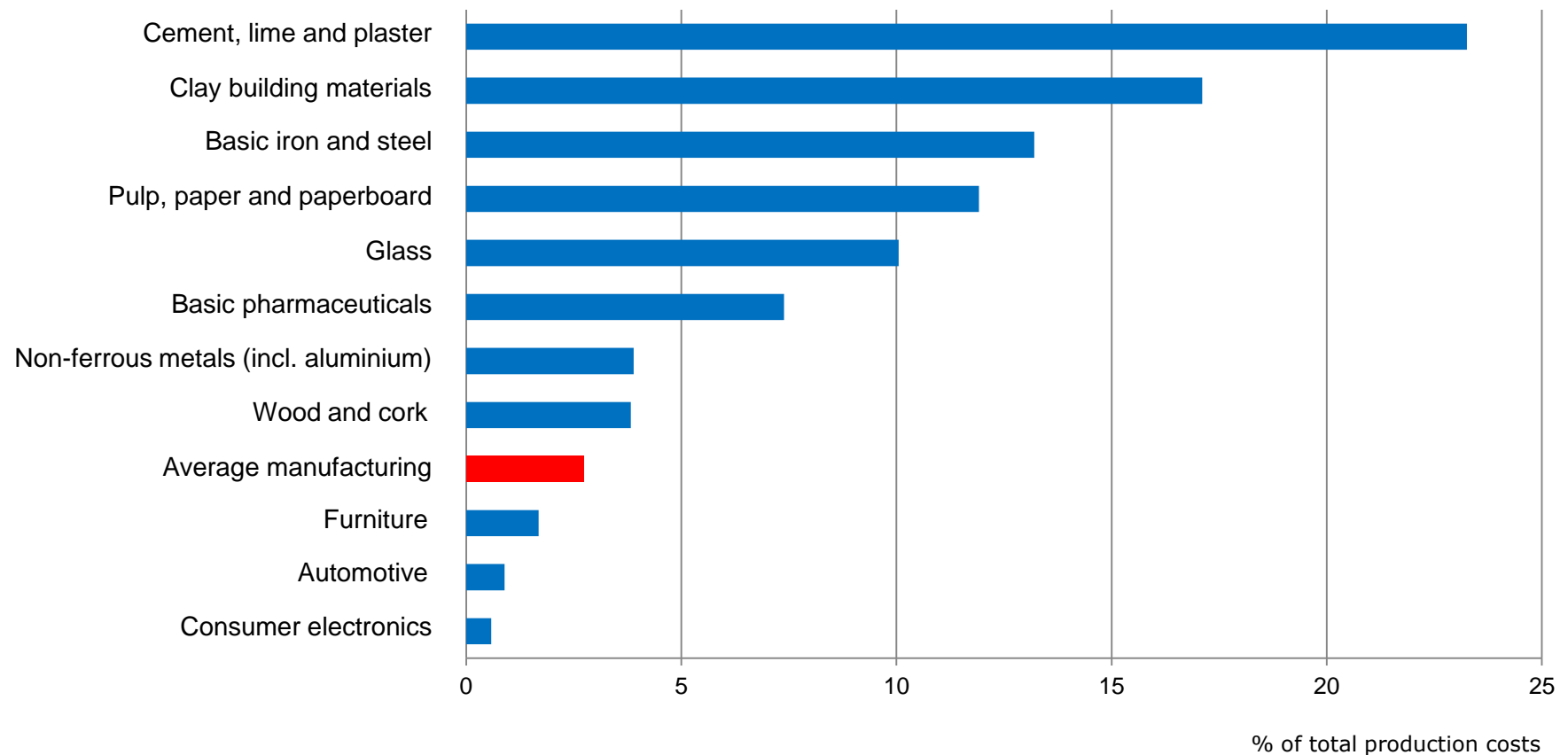
Prices affect competitiveness

Trends in energy price indexes 2005-2012



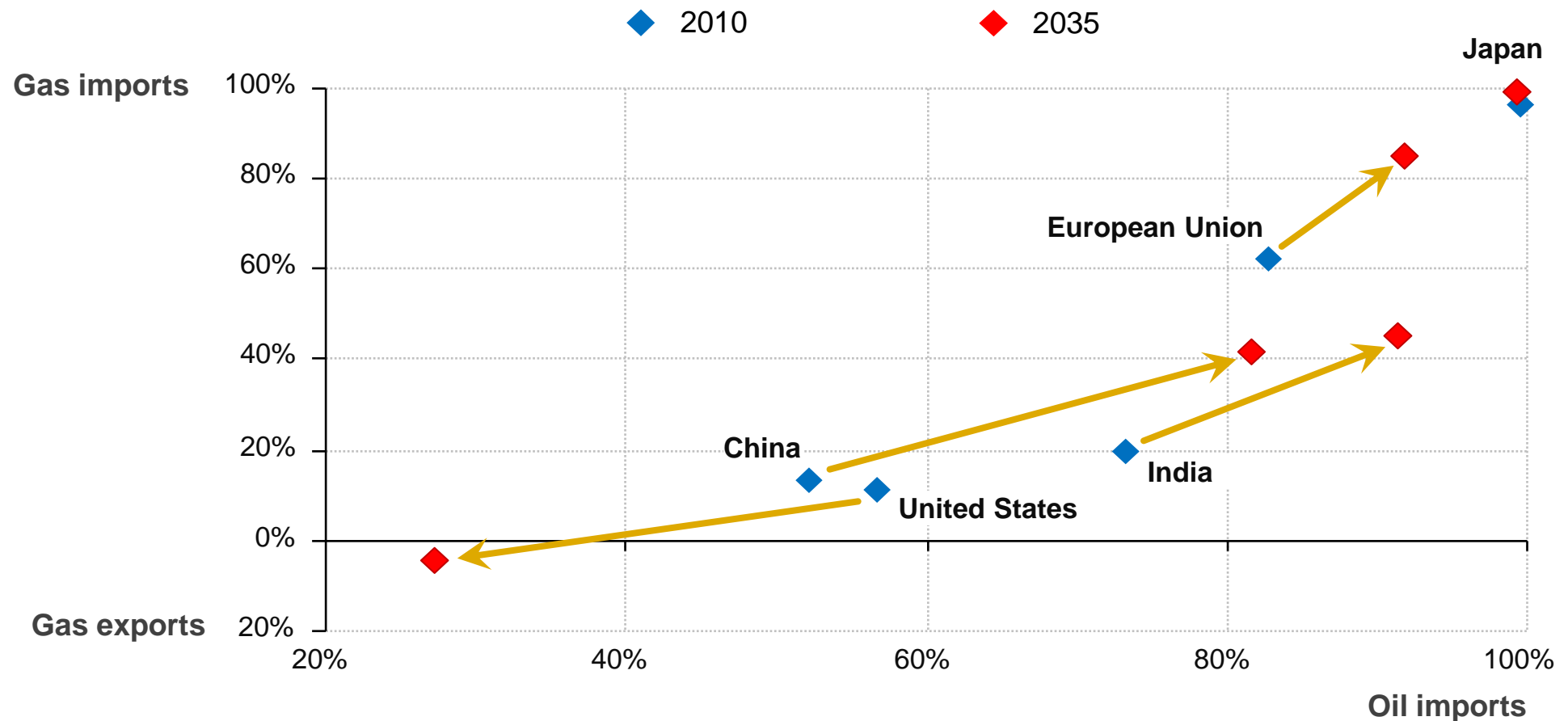
Energy-intensive industries are most exposed

Share of energy in % of production costs – selected sectors in Germany (2010)



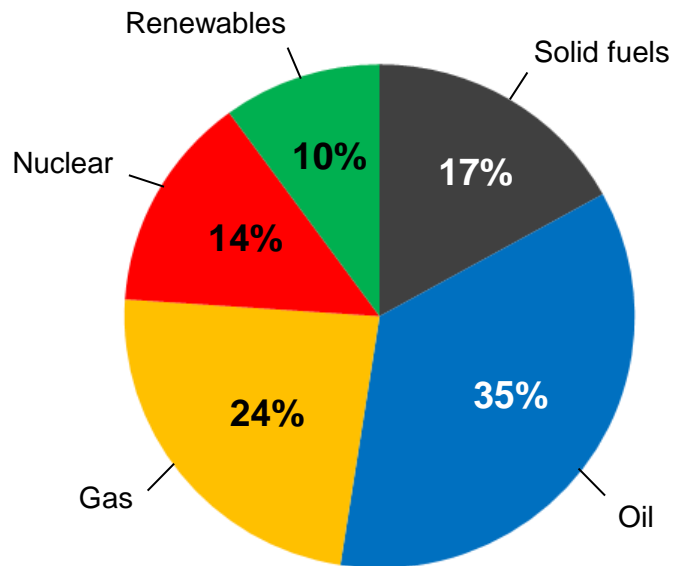
Europe's dependence is set to increase

Net oil and gas import dependence by region

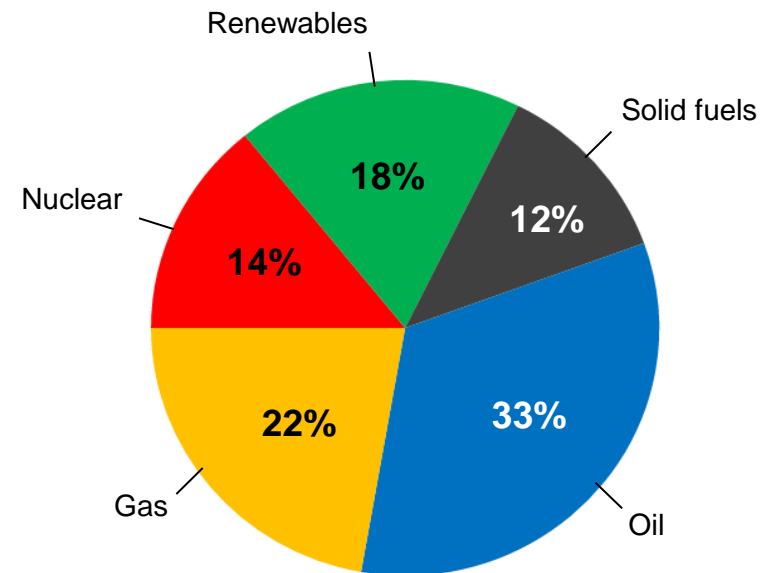


Our energy mix will evolve

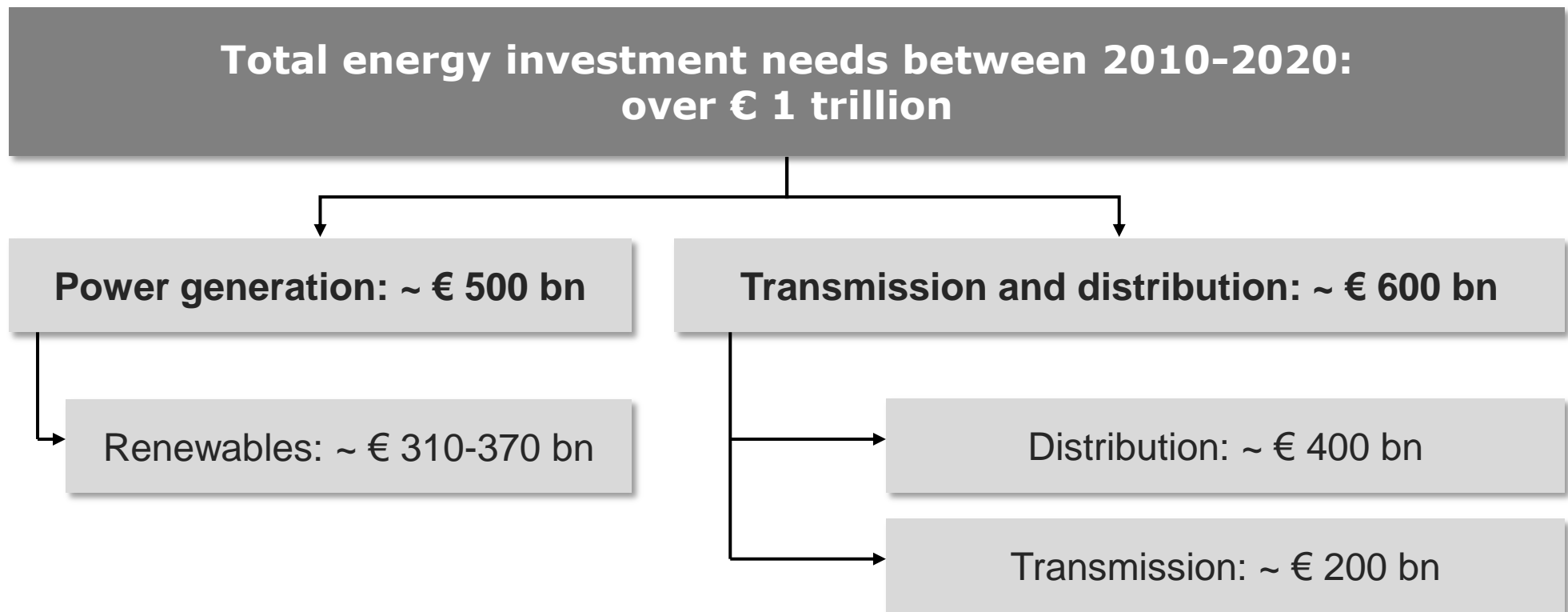
**EU gross inland consumption
2011**



**EU gross inland consumption
2030 (scenario)**



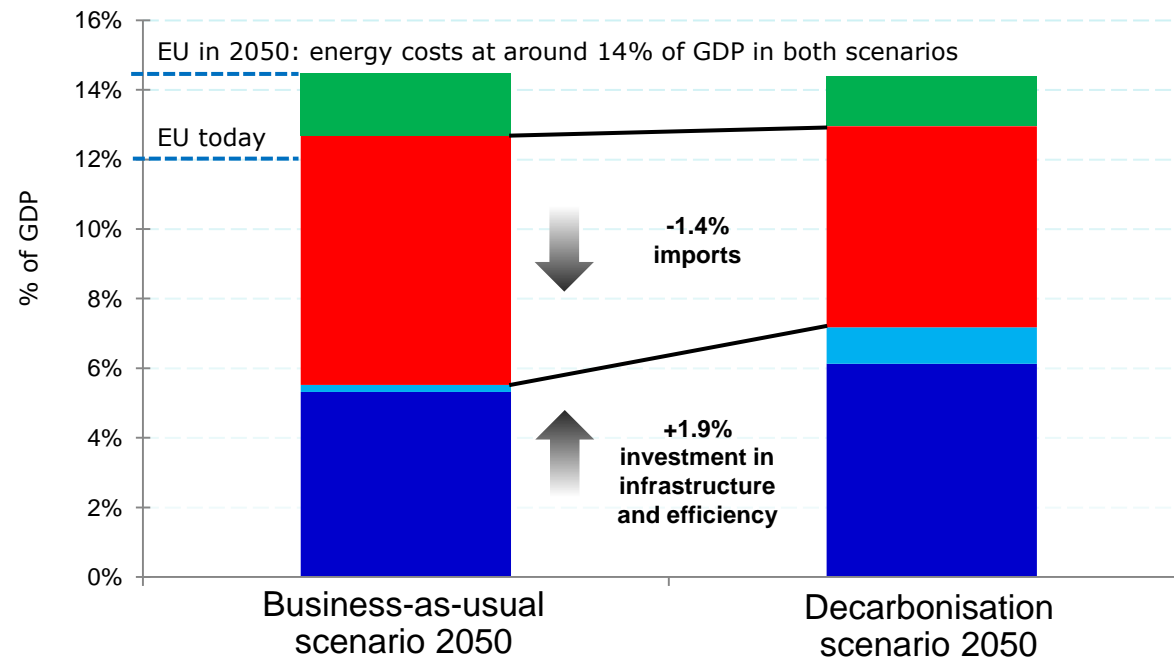
Massive investments are required



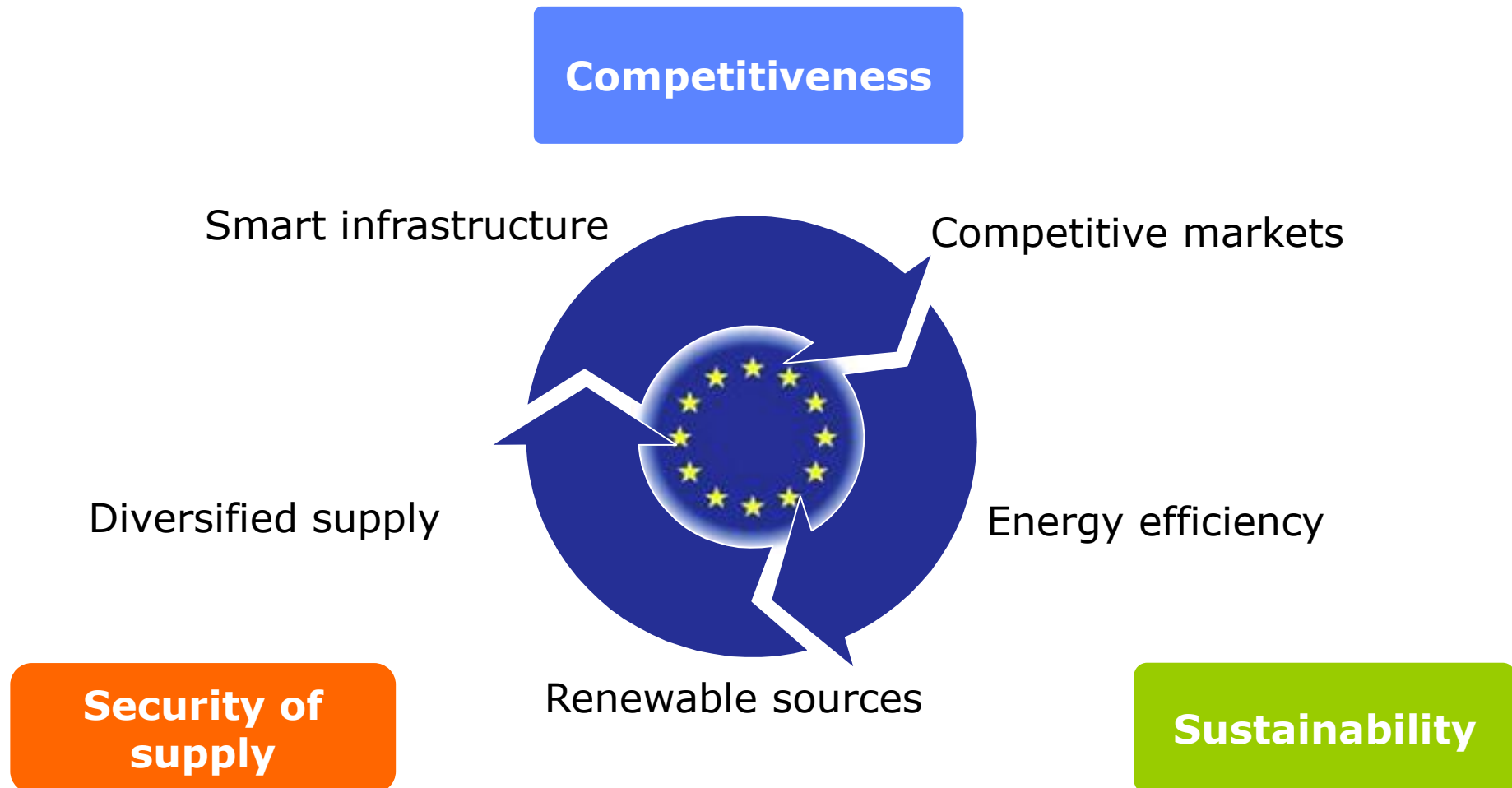
Will there ever be cheap energy for Europe?

Energy costs to rise in all scenarios but Europe will benefit most from decarbonisation (in % of GDP, annually until 2050)

- Fuel imports
- Investment in infrastructure
- Other energy purchase (domestic)
- Investment in energy efficiency

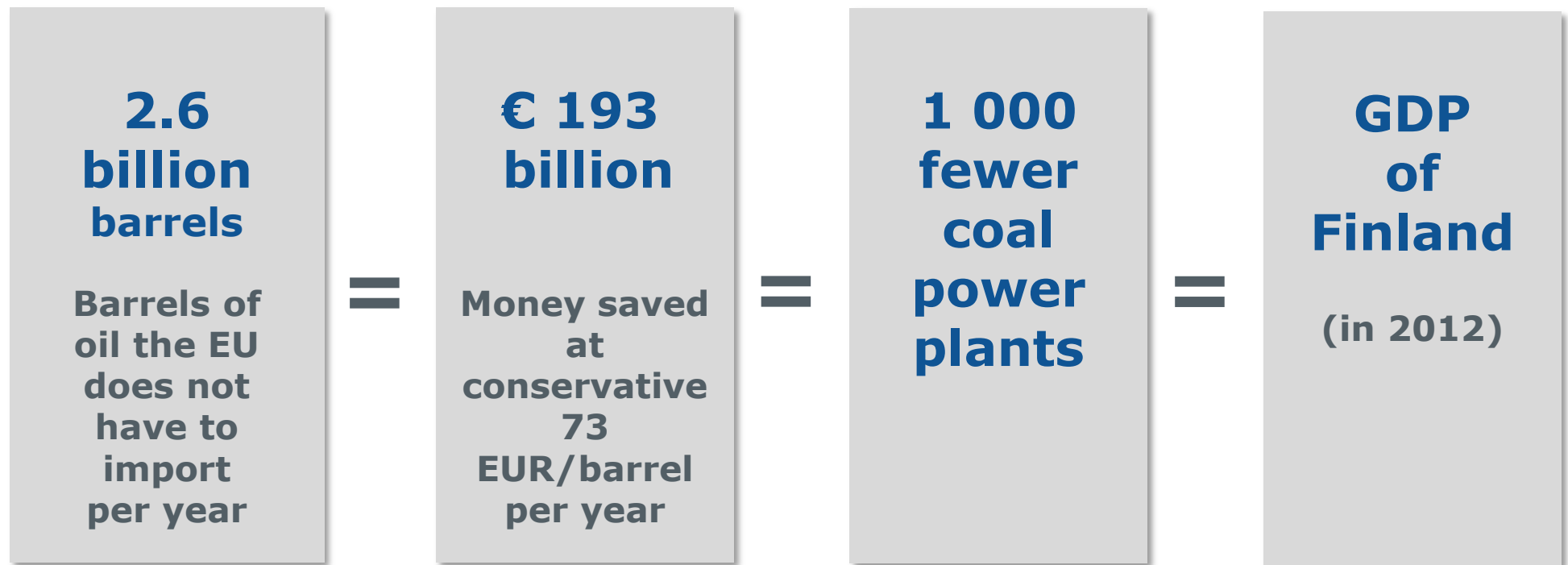


A "no regrets" scenario for Europe



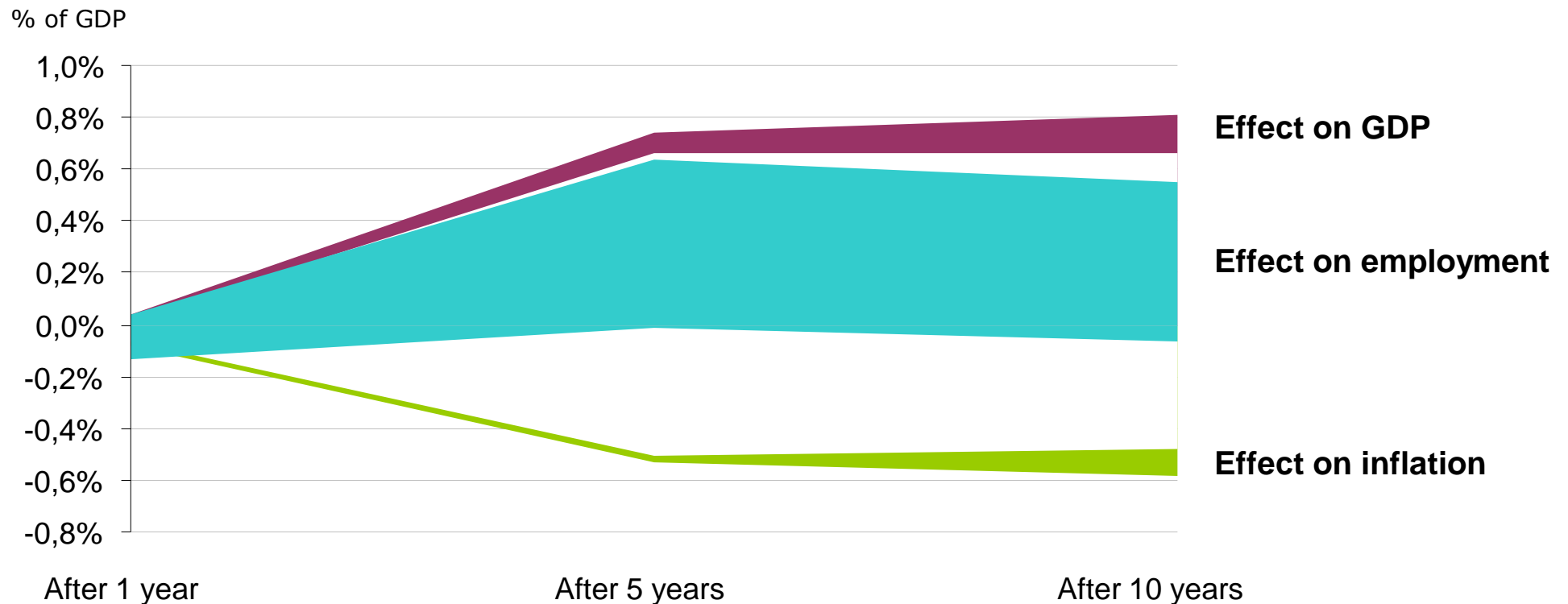
Priority 1. Boosting energy efficiency

Benefits of EU energy savings target of 20% by 2020

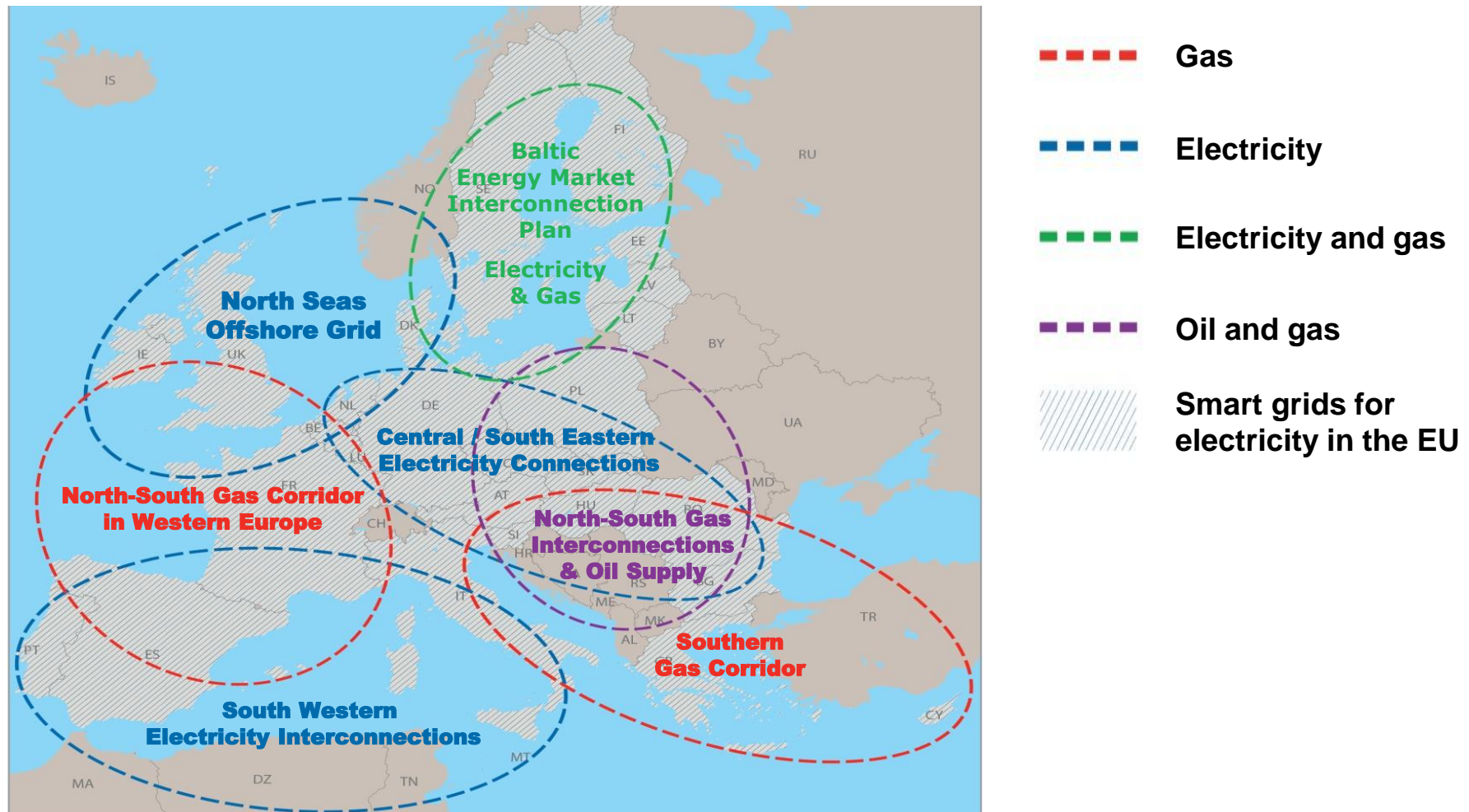


Priority 2. Completing the internal energy market

Estimated effects of opening gas & electricity markets (in % of GDP - ranges)



Priority 3. Smarter infrastructure

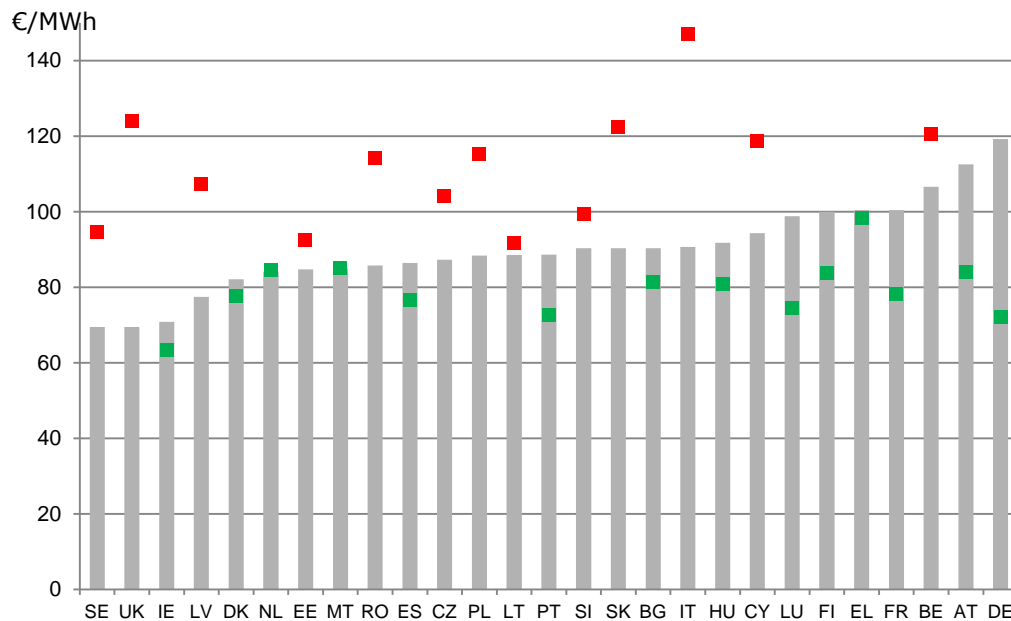


Priority 4. Cost-effective use of renewable sources

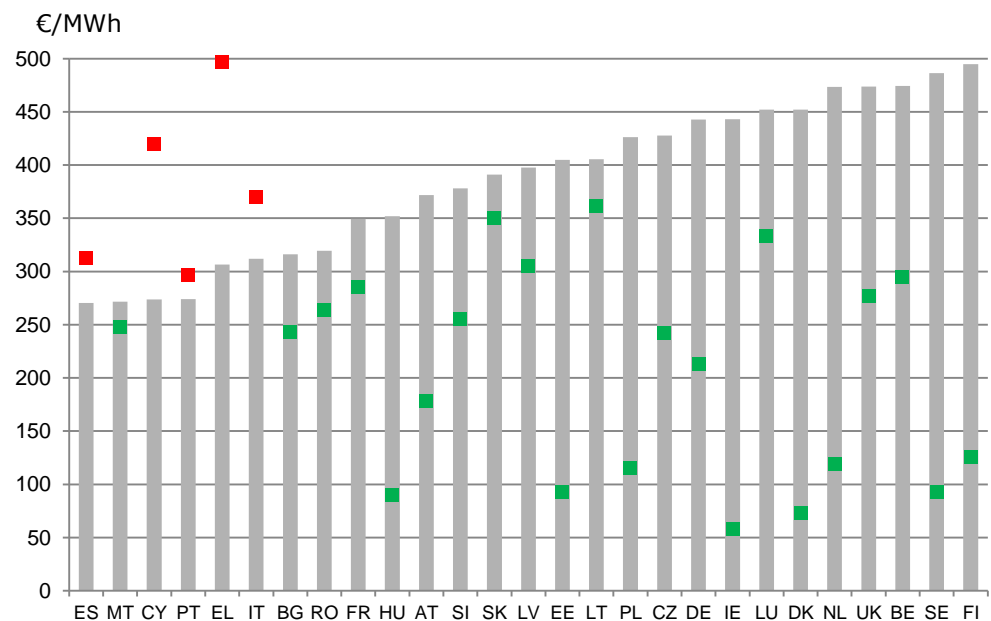
Production costs versus subsidies for renewables (averages, in €/MWh, latest year available)

■ Production costs ■ Subsidies over production costs ■ Subsidies below production costs

Wind energy on-shore



Solar energy (photovoltaics)



Priority 5. The external dimension

The example of the Southern Corridor

Corridor opening options (2018 - Shah Deniz II)

- Nabucco-West
- Trans-Adriatic Pipeline
- Trans-Anatolian Pipeline & South-Caucasus Pipeline

Corridor enlargement

- Extension of transport routes & new transport routes





European
Commission

