



European
Commission

Climate and energy priorities for Europe: the way forward

Presentation of J.M. Barroso

President of the European Commission,
to the European Council of 20-21 March 2014

Europe's priorities

Our goals

Competitiveness



Security of
supply

Sustainability

Why now?

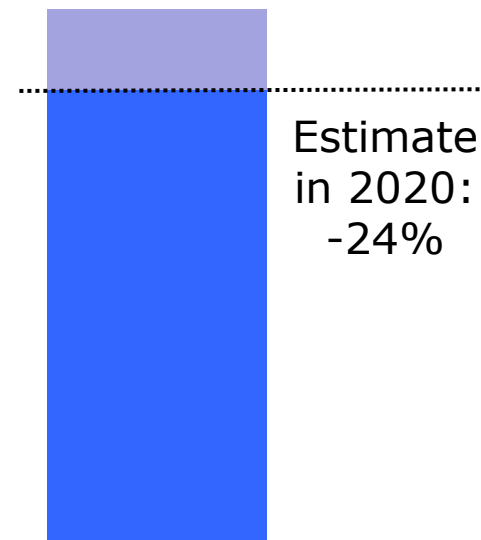
Predictability
for policy-makers
and investors

Need for cost-effective
and joint solutions

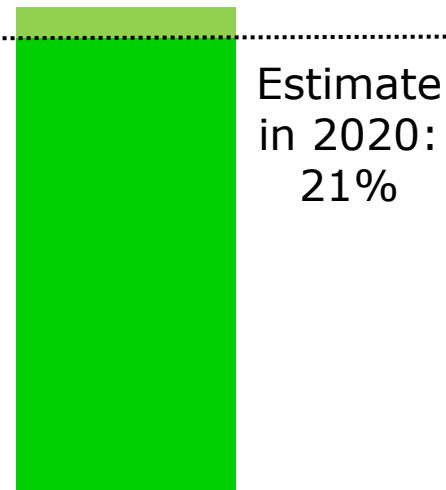
Speaking with
one voice

Europe is on its way to meeting its 2020 targets

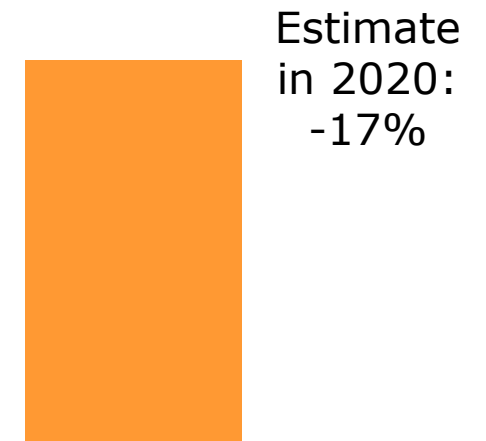
**Reduce greenhouse
gas levels by 20%**



**Increase share of
renewables to 20%**

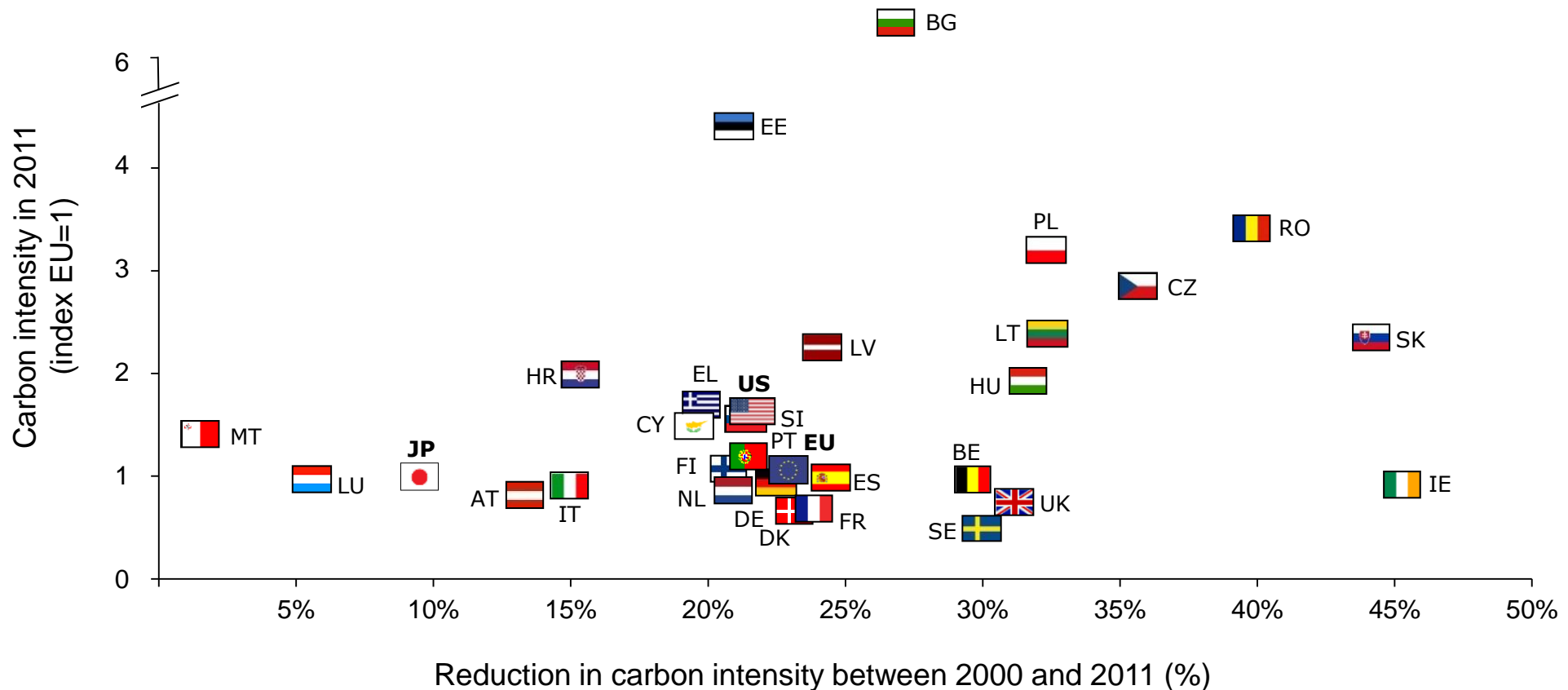


**Reduce energy
consumption by 20%**



Progress is visible at national level

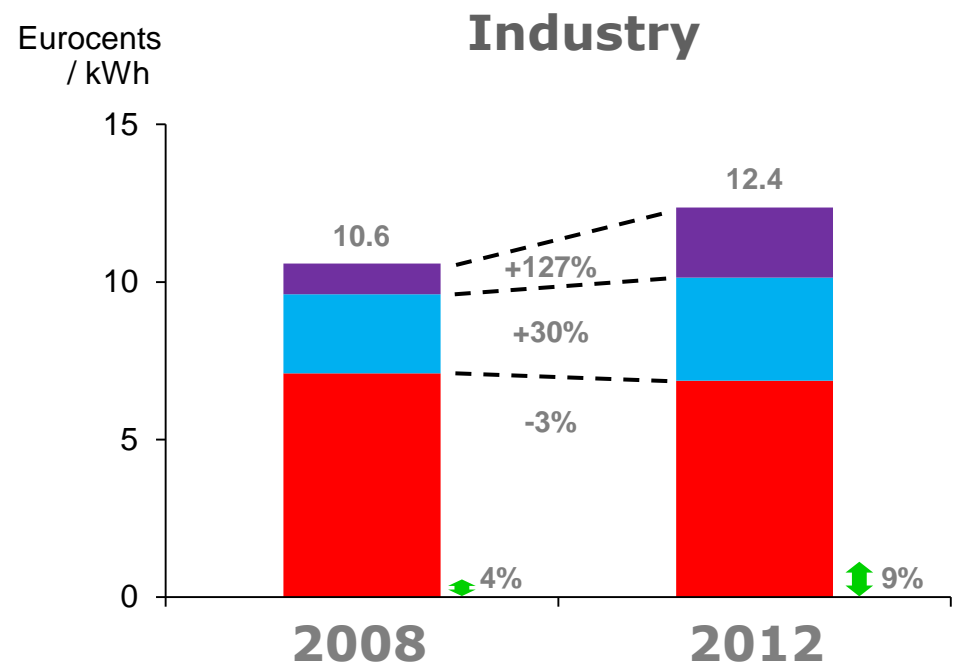
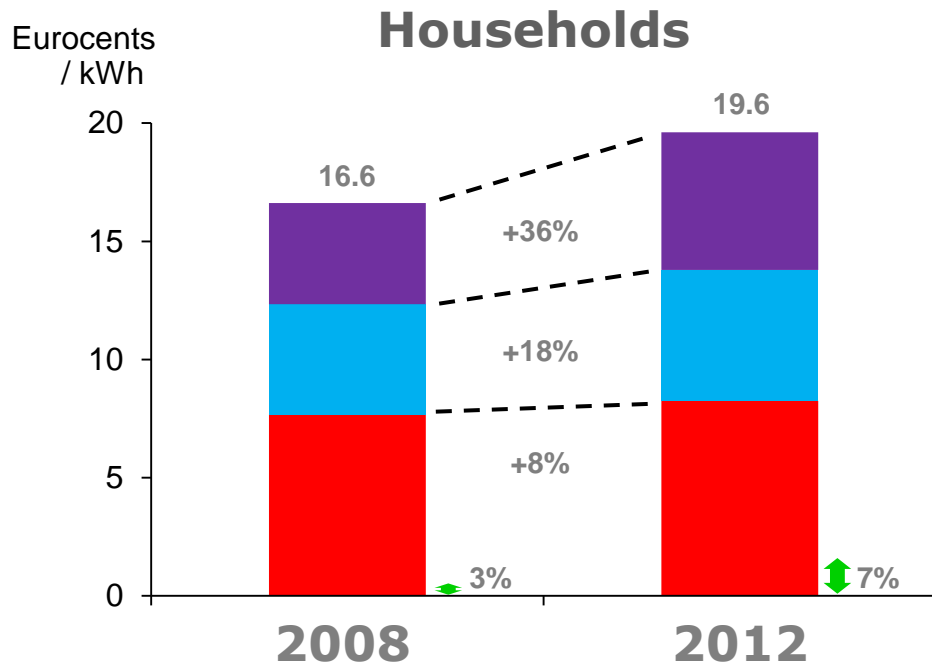
Carbon intensity, by country (greenhouse gas emissions / real GDP)



Climate policies are not the main driver of price increases

EU electricity prices, broken down, compared to support for renewables

■ Energy supply
 ■ Network costs
 ■ Taxes and levies*
 ↕ Support for renewables (% of total - estimate)



* excludes VAT and other recoverable taxes in the case of industry

A renewed ambition for 2030

2020

20%
greenhouse
gas reduction

20%
renewable
energy

20%
energy savings

2030

40%
greenhouse
gas reduction

≥27%
renewable
energy

Energy
efficiency:
review in 2014

Dedicated
governance

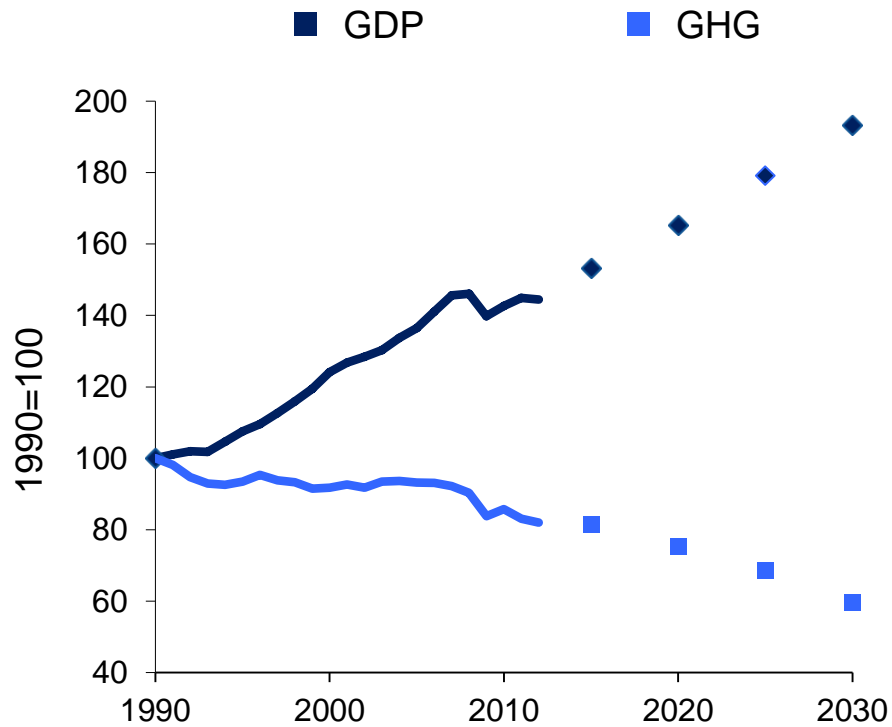
National plans

Common indicators

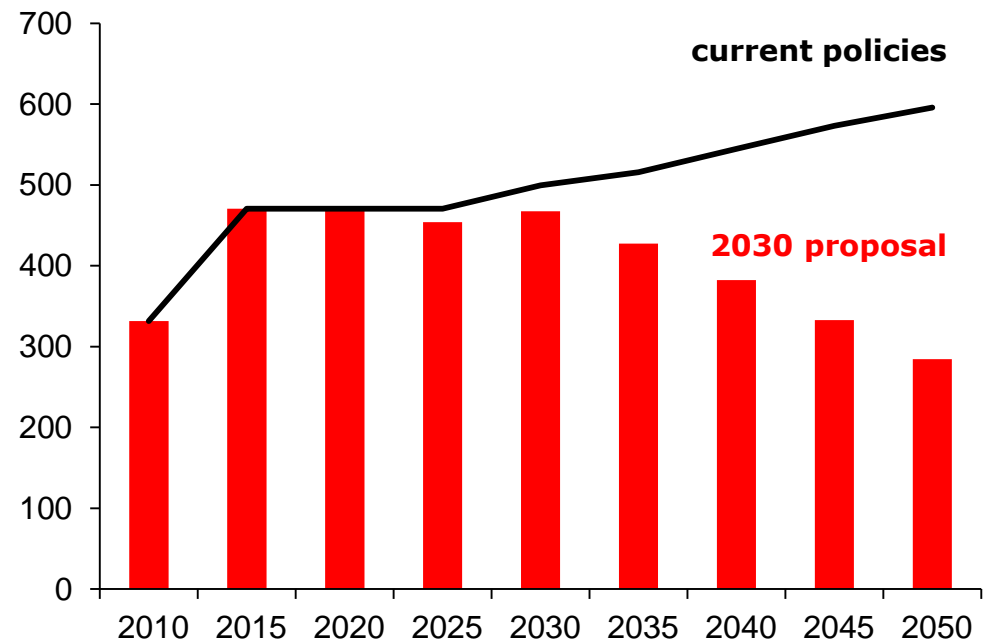
Monitoring

Growing while saving

Decoupling GDP from greenhouse gas emissions (GHG), 1990-2030

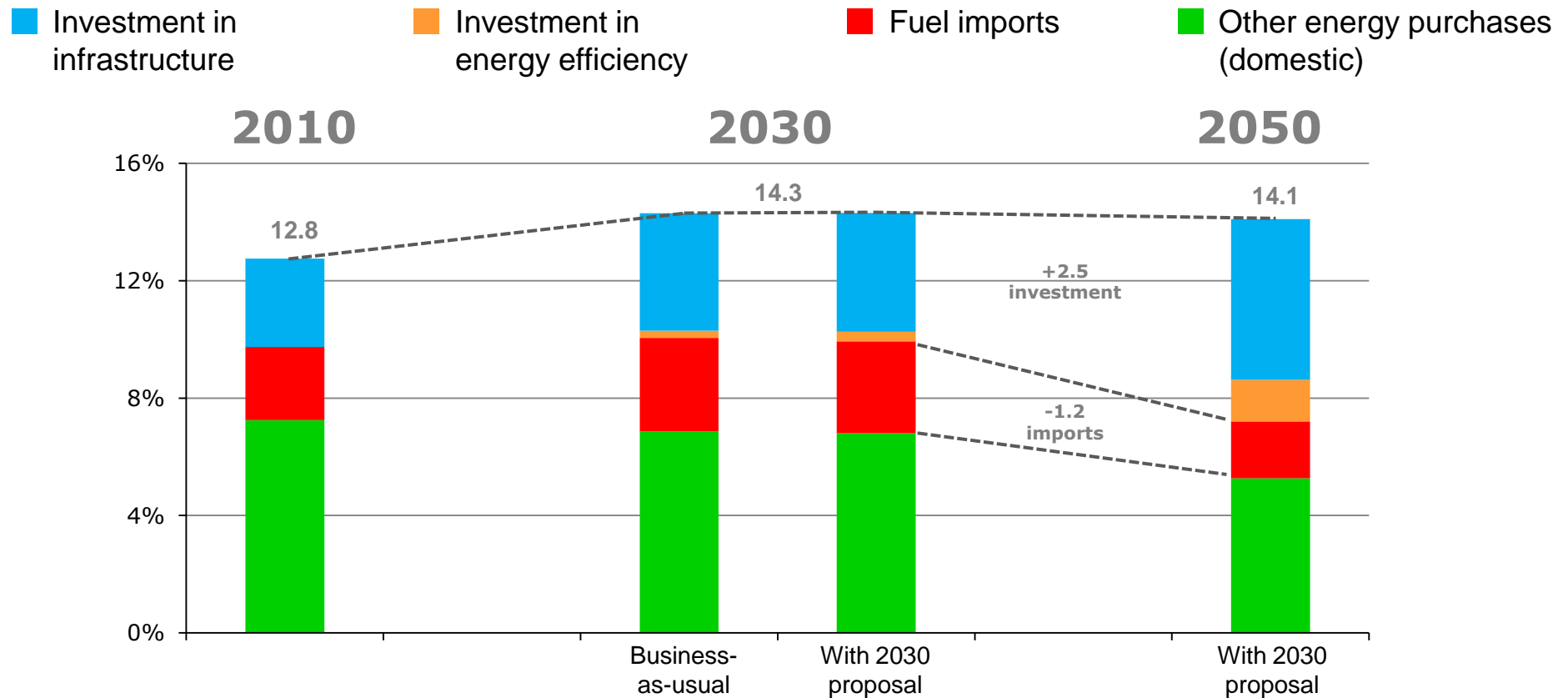


Reducing the EU fuel import bill with our 2030 proposal (import expenditure, in € billion)



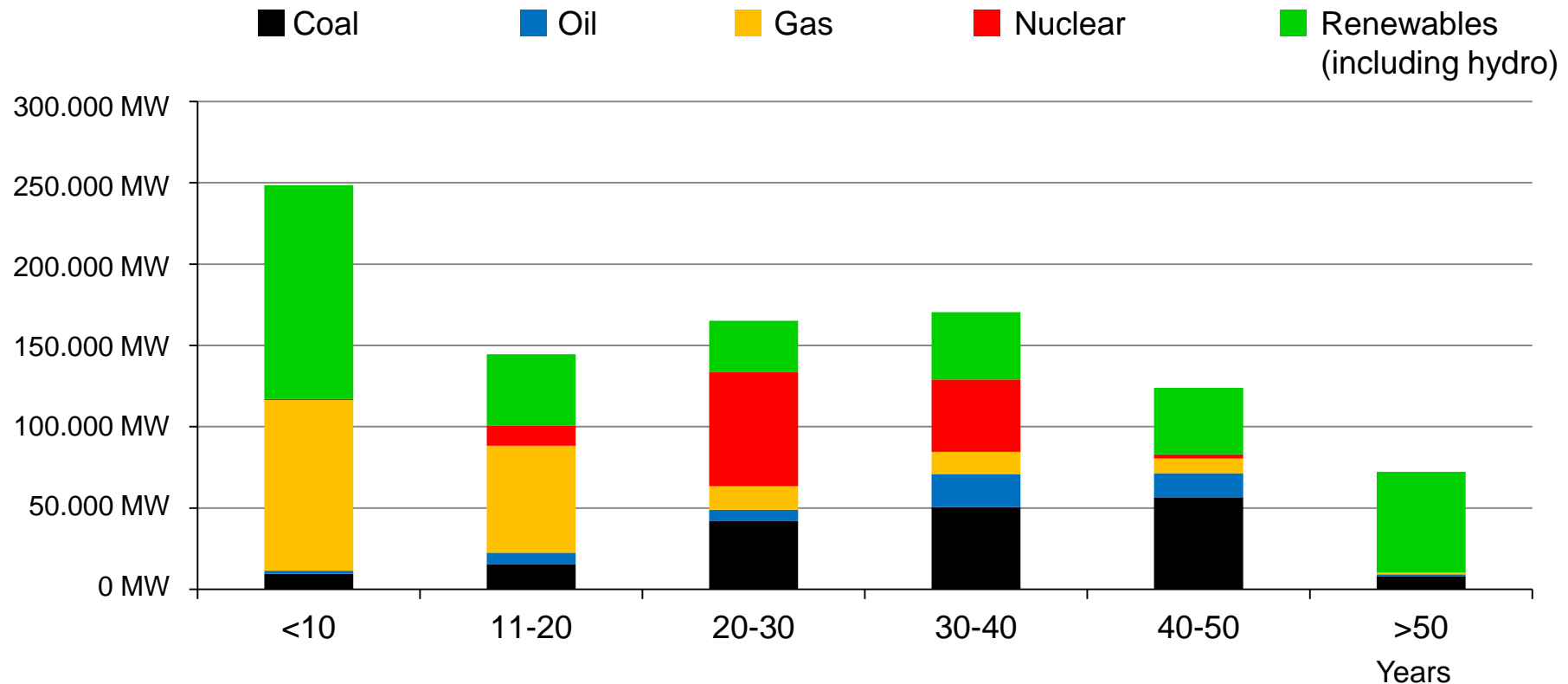
Energy costs to rise in all scenarios until 2030, but clear benefits from decarbonisation

Energy costs, broken down by components (annual average in % of GDP)

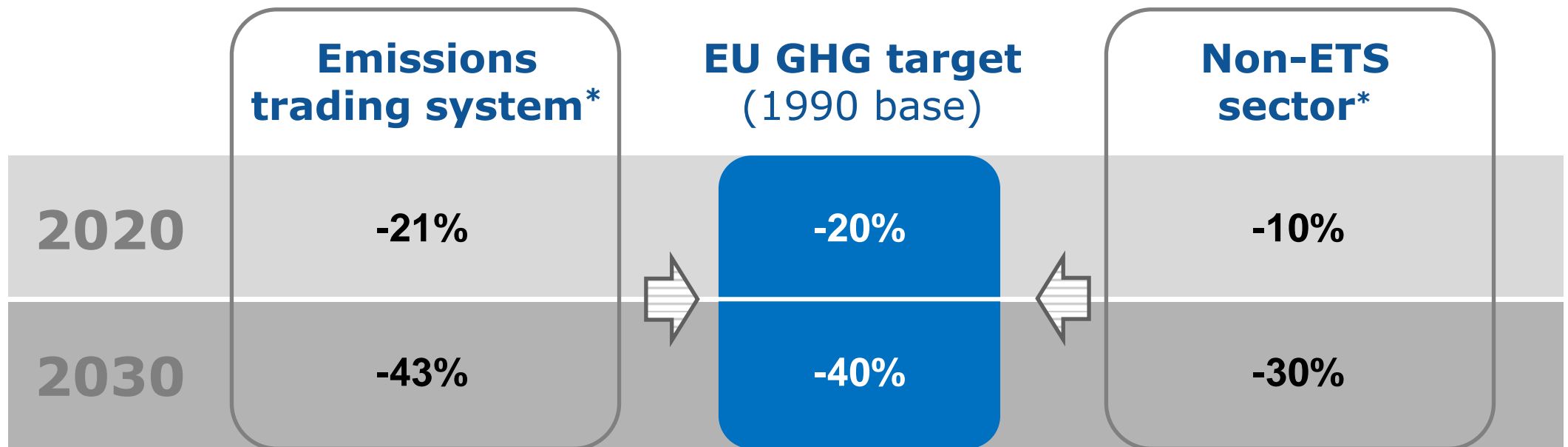


This is about investing in our future: 45% of our power generation capacity is more than 30 years old

Age of power generating capacities in the EU in 2013 (in years)



A cost-effective reduction in emissions



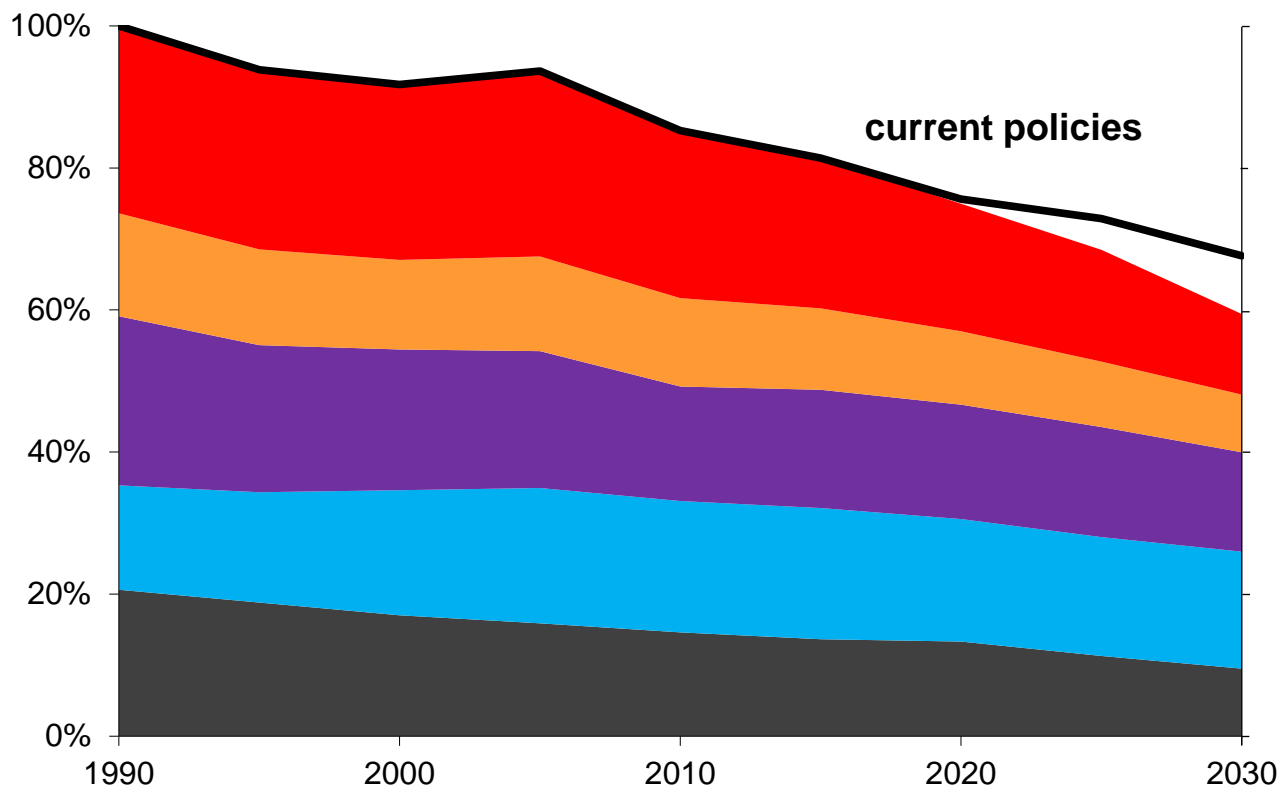
HOW?

- 'Cap and trade'
 - Market stability reserve
 - Protection against carbon leakage
- Effort-sharing through binding national targets
 - Support measures (e.g. standards)

All sectors should contribute

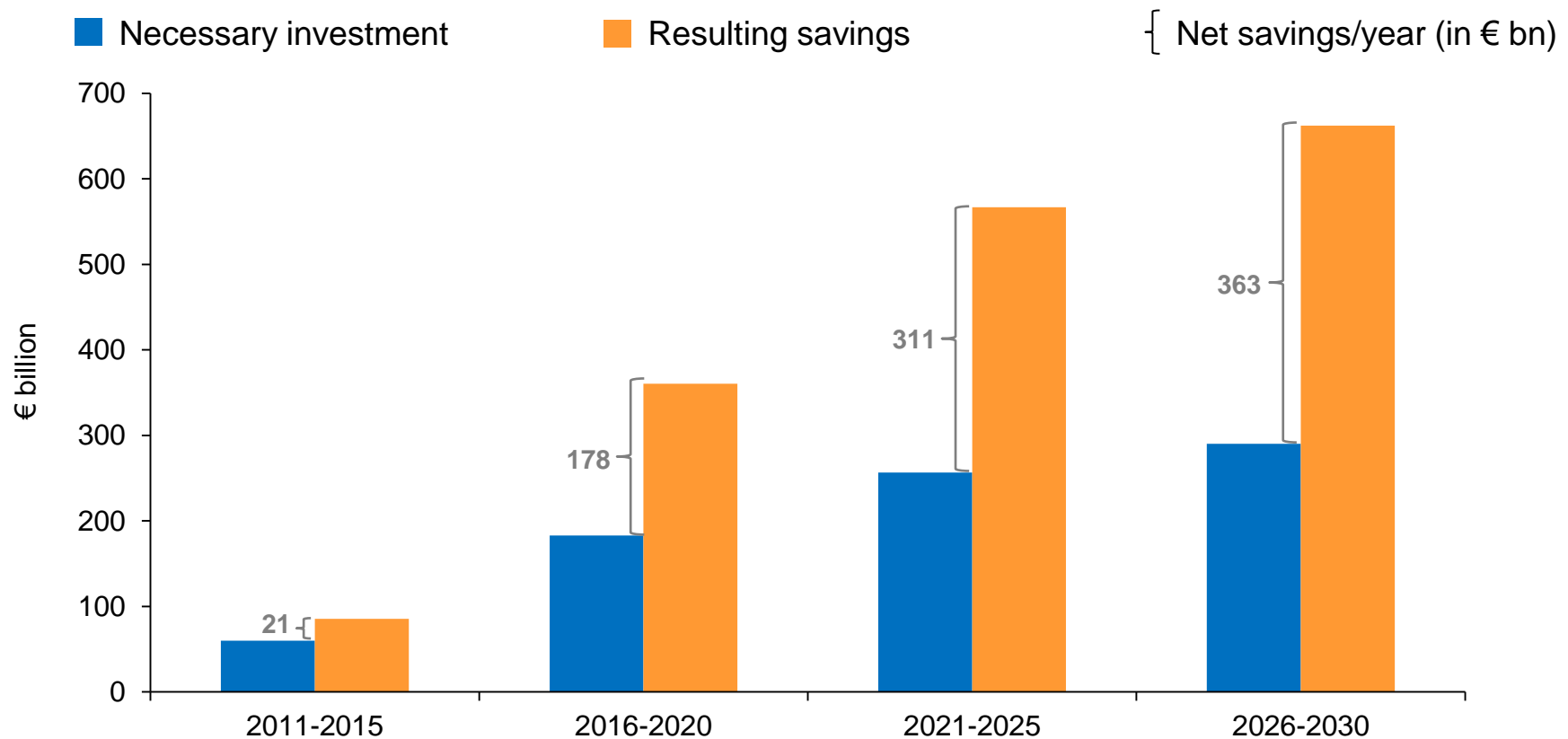
Share of greenhouse gas emissions, per sector and gas

■ CO₂ power sector
 ■ CO₂ heating buildings
 ■ CO₂ industry
 ■ CO₂ transport
 ■ Other greenhouse gases



Energy efficiency is key

Estimated savings from current commitments on energy efficiency



Connecting and diversifying

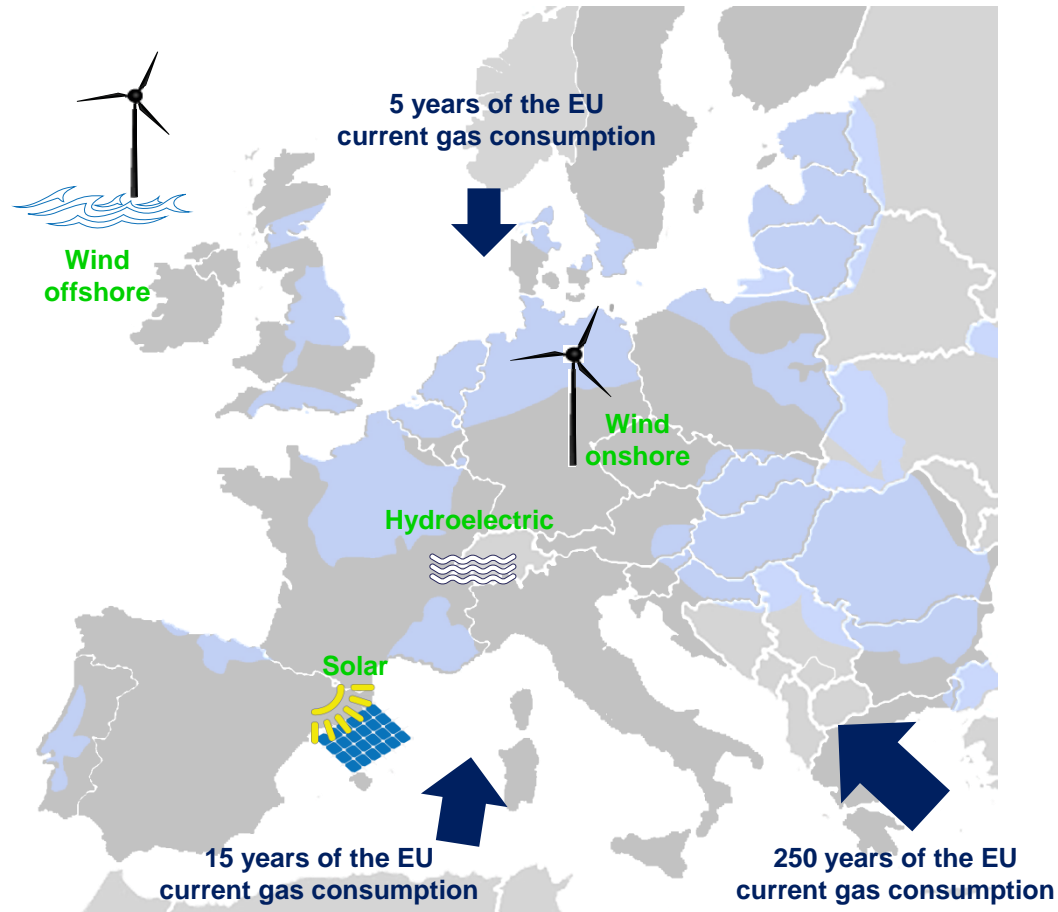
Reaping the benefits of a fully integrated energy market up to 2030

Internal market:
€ 43 - 70 bn per
year in gas and
electricity

Potential for
renewable energy

Future potential
for gas sources

Potential for
shale gas



Next steps

- Today: orientations
- Later in 2014: energy efficiency review
- Sept. 2014: UN Secretary General leaders' summit
- Agreement on 2030 framework at EU level
- Dec. 2015 (Paris): global climate talks

