

Brussels, 27 JUL. 2011
C/2011/ 5100

Dear President,

The European Commission would like to thank the Senate of the Czech Republic for its opinion on the Communication "Energy 2020, a strategy for Competitive, sustainable and secure energy" (COM (2010)639) and would like to provide the following comments on the issues raised therein.

Regarding the timeframe of the strategy until 2020, the Commission agrees that energy investments are characterised by very long lead-times which extend beyond 2020. The strategy describes the challenges for Europe in energy, recalls the goals and identifies priorities to achieve them: energy efficiency, an integrated internal market, innovation and consistent external policy. It provides the necessary framework to pursue and sustain efforts towards achieving the 2020 targets while preparing for the long-term. In autumn 2011, the Commission intends to present an Energy Roadmap 2050 which will explore possible transitions towards a low-carbon energy system which is also secure and competitive. This exercise will allow longer-term policy conclusions to be drawn, which will provide further guidance for investors.

The Commission takes note of the comments of the Czech Senate regarding the need for corresponding commitments by other global economies on reducing greenhouse gas emissions. The competitiveness of the EU industry is at the heart of the Europe 2020 Strategy and the Commission assures the Czech Senate that the competitive situation of the EU industry vis-à-vis its major international competitors will continue to be monitored carefully.

Regarding investments in energy, the Commission has estimated that over 1 trillion € is needed for renewal, upgrade or replacement in generation, supply and storage (500 billion €) as well as transmission and distribution (600 billion €) for the electricity and gas sector up to 2020. While it agrees that investment in infrastructure is essential for completing the internal market, ensuring security of supply, managing demand and allowing greater penetration of renewable energy sources, it does not consider however that it should take priority over investment in generation capacity. The 20% target for renewable energy and the need to promote low-carbon indigenous sources to diversify and decarbonise our energy supply calls for very significant investment as well.

The Commission welcomes the call from the Czech Senate to invest more public funds in research. It also welcomes the support for the completion of an integrated, well-functioning and well-connected internal energy market which it believes will help to keep prices down.

Regarding nuclear energy, the Commission underlines that this source is mentioned in the strategy as a significant component of the energy mix in Europe and in particular as a large

Milan ŠTĚCH
President of the Senate
of the Parliament of the Czech Republic
Vladštejnské náměstí 17/4
CZ-118 01
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part of the low-carbon electricity generated in Europe. However, the decision to use nuclear energy remains a national competence and the strategy does therefore not seek to prescribe what the energy mix should be.

Finally, as far as the external dimension is concerned, the strategy recalls key principles and objectives to strengthen the role of the EU on the global scene, to increase coordination and transparency, to deepen our cooperation with the neighbourhood and to step up efforts to ensure diversification of sources, partners and routes. In autumn 2011, the Commission plans to present a comprehensive analysis of the external dimension and to identify priorities to move this agenda forward.

Yours faithfully,