



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senát for its Opinion concerning the Green Paper on a 2030 framework for climate and energy policies {COM(2013) 169} and apologises for the delay in replying.

The Opinion raises a series of issues of the highest relevance for future energy and climate policies at EU and national levels. The Commission would like to provide the following clarifications with respect to them.

First, a long-term approach to climate and energy policies is of fundamental importance to provide certainty and predictability to stakeholders and investors. In this regard the Commission welcomes the support of the Senát for measures that will contribute to a stable and predictable environment, while being cost-effective, consistent and interconnected across Member States.

The Commission shares the views of the Senát that the new framework must reflect developments in international negotiations: climate change is a global issue that needs a global solution. However, the EU cannot stay paralysed until the international picture becomes clear. It needs a negotiating position for the international discussions. This will be equally important to ensure a level playing field on global market and to preserve the EU competitiveness.

In the light of increasing energy demand from major economies and high energy prices and costs, the Commission agrees that current EU energy policies should be better assessed. Potential impacts on energy prices must also be carefully considered when defining new policies. In this vein, the Commission is working on a full report on the components of energy prices and costs to be presented by the end of the year.

As far as the EU Emission Trading Scheme (ETS) is concerned, the Commission agrees that the economic crisis lead to an unexpected imbalance between supply and demand. This does not mean that the ETS is not reaching its objectives: emissions have decreased and the EU has reached its Kyoto target and is well on track to achieve its 2020 target. The challenge the

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EU faces now is that current prices do not provide a sufficiently strong signal for long-term low carbon investments. This is why the system needs to be strengthened for the period beyond 2020. The Commission is open to examine all the options and is not pre-empting any particular option for the moment.

The Opinion of the Senát raises the issue of potential market distortion coming from subsidies for renewable energy. The Commission considers that irrespectively of potential new 2030 targets for renewable energy, it is essential that the integration of renewables continues without unwarranted impacts and distortion of the internal energy market, capital allocation and energy prices. In this regard, it is important that the cost of renewable energy sources continue to come down, to optimise Member States' support schemes, and to progressively expose renewables to market signals.

To conclude, the Commission would like to thank the Senát once again for its recommendations on the main aspects of energy policy, which emphasise the need that the new framework must guarantee stability while providing some flexibility.

The Commission hopes that these clarifications address the issues raised by the Senát and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*