

EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senato della Repubblica for its Opinion concerning the Energy Union Package, including the Communication on "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" *{COM(2015) 80 final}.*

The Framework Strategy for the Energy Union builds on the agreement on the 2030 Framework for energy and climate and the European Energy Security Strategy. The Commission is pleased to note the support of the Senato della Repubblica for the Energy Union. To succeed in our strategy, deeper integration, cooperation and coordination between Member States and the EU institutions is needed.

As underlined in the Senato della Repubblica's Opinion, contributing to the competitiveness of the economy through energy and climate policies will be one of the objectives underpinning the revision of the European Emission Trading Scheme (ETS). The ETS will have to ensure continued free allocation to the sectors that are most exposed to the risk of carbon leakage. At the same time, in order to create a level playing field with our trading partners, it is equally important to achieve a strong and ambitious climate agreement at the COP 21 in Paris.

It is the EU's goal to maintain leadership in clean and efficient energy technologies, products and services and to pursue ambitious yet realistic policies. Such policies can sustain demand and growth in the low carbon economy and make our economy more resilient to increasing energy costs through efficiency measures.

A new governance scheme for the Energy Union will aim at ensuring delivery of the five dimensions of the Energy Union, including the 2030 European targets for renewable energy and for energy efficiency, while also providing flexibility to Member States.

The Commission agrees that further development of the internal energy market is a priority – this will be necessary to deliver on all other dimensions of the Energy Union.

Mr Pietro GRASSO President of the Senato della Repubblica Piazza Madama, 1 IT – 00186 ROMA In this vein, the EU is working to put in place a regulatory framework to complete the creation of an open, integrated and competitive single market for energy. The Commission agrees that a cautious approach to capacity remuneration mechanisms is needed. The Commission adopted on 15 July 2015 a Consultative Communication "Launching the public consultation process on a new energy market design" {COM(2015)340 final}, where this issue is further addressed. This Communication will be followed by more concrete proposals to improve the current legal framework in 2016.

The Commission will increase its efforts to ensure that all Member States fully transpose the Third Internal Energy Market Package and will continue to follow the Italian situation very closely.

The Commission fully agrees with the Senato della Repubblica on the need to emphasise the external dimension of energy policies. The EU will further strengthen its dialogues with key partners, also with regard to creating a Mediterranean gas hub in the south of Europe. Concerning energy infrastructure, the European Energy Security Strategy already recognised the role of the Trans Adriatic Pipeline as a key infrastructure that will increase security and diversity of energy supply in Europe. The Commission is also currently assessing the feasibility of potential EU funding for the Italy-Tunisia electricity interconnection project.

Finally, the Commission counts on Italy's commitment to the establishment of three Mediterranean Platforms focusing on i) gas; ii) regional integration of electricity markets; iii) renewable energy and energy efficiency.

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

Yours faithfully,

Neven Mimica Member of the Commission