

EU unveils trillion-euro single energy market

November 10 2010, by Claire Rosemberg



EU Energy chief Guenther Oettinger talks during a press conference on "Energy 2020" strategy on November 10, 2010 at the EU headquarters in Brussels. The European Commission unveiled its energy strategy for the next decade, calling for one trillion euros (1.38 trillion dollars) of investment to improve efficiency and reduce pollution.

The European Union's energy chief Wednesday unveiled an ambitious 10-year trillion-euro energy investment plan for a single EU energy network to cut fossil fuel imports and fight climate change.

"There is no single energy market," Energy Commissioner Guenther Oettinger told a news conference. "We need to render energy European."

Europe's current system was "like 19th century dukedoms rather than a modern open Europe," he said.

His proposals, geared to face up to what he called "one of Europe's greatest tests", will be eyed by European Union leaders at the bloc's first ever energy summit February 4, 2011.

While energy had over-ridden labour in terms of costs and fossil fuel imports were on the rise, Europe's energy sector was not competitive, with massive investments needed in new technologies and infrastructures.

"Europe cannot lose," he said, calling for one trillion euros (1.38 trillion dollars) of investment to improve efficiency and reduce pollution.

Regarding efforts to combat climate change, the commissioner said the bloc could realistically achieve its 2020 goals of slicing [carbon emissions](#) by 20 percent and increasing the use of renewable energies such as wind and solar power by 20 percent.



Map showing those European countries most dependent on Russian gas. The European Union's energy chief Wednesday unveiled an ambitious 10-year trillion-euro energy investment plan for a single EU energy network to cut fossil fuel imports and fight climate change.

But without greater investments and a single will the EU would be unable to meet its commitment to increase [energy efficiency](#), also by 20 percent, by 2020, he said.

"Without accelerating investment in energy efficiency we will be closer to nine percent than 20 percent in 2020," he said.

The [global economic crisis](#) had hammered investment in new technologies while there were no constraints placed on national plans to improve energy efficiency.

Oettinger therefore called for public sector spending on energy to be verifiable -- the public sector accounts for 16 percent of purchases across the EU -- and for integration of national grids of gas, electricity and solar systems as far south as the Maghreb and Turkey, or wind energy in the north.

Socialists and Democrats in the European Parliament welcomed the new EU energy strategy but said it had failed to set binding targets on states for energy savings.

"Achieving the 20-percent energy efficiency target could save up to 78 billion euros a year by 2020, create a million new jobs, improve security of supply and improve economic competitiveness," said the vice-president of the group Marita Ulvskog.

Oettinger said the building of a single energy sector would also strengthen Europe's voice on the international scene.

The union's internal energy market was the world's biggest, he said, "bigger than China, bigger than the US".

"I will be pleading for a common foreign energy policy," he added.



Electricity pylons pictured in southern Germany. The European Union's energy chief has unveiled an ambitious 10-year trillion-euro energy investment plan for a single EU energy network to cut fossil fuel imports and fight climate change.

Oettinger said oil would continue to be needed in industry as well as in air and heavy road transport over the coming decades but that urban transport and private vehicles must shift to hybrids, hydrogen and electricity.

Investment incentives and financial instruments would be proposed by the middle of next year to help home-owners and the public sector pay for renovations and energy saving measures, the commission said.

The commission proposed major projects to strengthen Europe's leadership in energy technology and innovation through new technologies, electricity storage, research on second-generation biofuels, and [energy](#) savings in urban areas.

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