

**Commissioner Piebalgs' address to the EPSU
Congress 2009**

Brussels, 11 June 2009, 9.00

- Draft Speech – Check against delivery -

Ladies and Gentlemen,

I am delighted to join your Congress today.

When I come to work to the Berlaymont building these days, I am constantly reminded of the presence and importance of the public service unions. The notice boards and corridors in the Berlaymont are covered with posters advertising the numerous public service unions active in the Commission. The reason is that it is election time for the Commission's Local Staff Committee and the election campaign is at its hight. I have been told that these Unions are also members of EPSU.

There could therefore be hardly a better moment to come to your conference and speak about to you about European Energy Policy. I know that the issues of security of supply and sustainability are also of great importance to the members of your organisations.

Let me start by saying that there can be no energy dialogue without social dialogue!

Consensus is a fundamental pillar of EU integration. And consensus about social implications is fundamental for all EU citizens to benefit from our actions. This is why my services are seeking to involve the social partners more in policy development, both at the strategic level, and in the implementation.

The creation of the Citizens' Energy Forum, which met for the first time in London last October, for example, contributes to protecting consumers' rights and implementing a fair deal for all customers.

We also see this happening at the international level: in the Energy Community process, the Memorandum of Understanding on Social issues constitutes the point of departure. This is a relatively new addition. But we are committed to addressing concerns about the social impact of market reform and redressing social imbalances, whether these affect employees and workers, or individual consumers.

Europe faces unprecedented challenges in energy security, sustainability and competitiveness. These are global problems which we cannot resolve ourselves. This will only happen in the international framework:

- **in international commitments, such as we would like to see reached at Copenhagen on climate change,**

- **in bilateral relations, as with Russia**

- **in regional arrangements, as in the Energy Community**

- **and in international agreements, such as the International Partnership for Energy Efficiency Cooperation.**

It is also clear that it does not make sense for individual countries to attempt to resolve these challenges on their own. That is why, in March 2007, European heads of state and government agreed unanimously that the EU should, for the first time, come together to follow a comprehensive and clearly targeted energy and climate policy. You will be familiar with the targets:

- Firstly, reducing its greenhouse gas emissions by 20% compared to 1990 levels by 2020,**
- Secondly, increasing the level of renewable energy from about 9% of its energy mix today to 20% in 2020 and**
- Thirdly, making a 20% improvement in its energy efficiency levels over the same period.**

In December last year the Council and Parliament succeeded in reaching agreement on concrete proposals to make this a reality, a remarkable achievement in a very short time.

Greenhouse gas emissions

The revised EU Emissions Trading Scheme Directive provides clarity regarding the approach that will be followed for the period 2012-2020. The ETS mechanism is the foundation on which EU efforts to reduce its greenhouse gas emissions are built; a trading scheme whereby industry has to acquire credits in order to emit CO₂. The revised Directive will help make the scheme more effective and establish its credibility as the first international scheme of its kind.

The Commission has always recognised the risk of carbon leakage, particularly in the absence of a satisfactory international agreement on climate change, and we take it very seriously. The difficulty lies in assessing precisely which sectors are genuinely at risk, and what can be done about it. In the context of the EU Emission Trading Scheme, the Commission is currently undertaking the assessment to determine which sectors are exposed to a significant risk of carbon leakage, based on criteria laid down in the legislation.

Renewable Energy Sources

The new Renewable Energy Directive has been agreed, putting into effect the overall target of 20% renewable energy in the EU's energy mix and 10% of renewable sources in its transport fuel by 2020 in the form of legally binding obligations on Member States.

These mean that investors can make the necessary investments in new generation, new networks and new technologies in the knowledge that the political framework will remain constant for the foreseeable future. They also mean that the EU will be able to exploit its potentially endless resources of renewable energy, as well as the most attractive energy source of all, which is energy efficiency.

We all know that the renewables industry is creating thousands of new jobs and creating new business opportunities across Europe. We estimate that achieving the 20% renewables target could lead to a net increase in GDP (0.24%) and deliver 2.8 million new jobs in the renewables sector alone.

Moreover, we need to develop the necessary skills to deal with these technologies. Here, I see a very important role for the social partners to train the existing workforce and, more broadly, to prepare the employees for the human challenges which these changes imply.

Internal Market

The new internal market legislation introduces measures on the retail market, including specific provisions for all suffering from energy poverty. These measures will provide additional levels of

protection and security for Europe's citizens. Such measures include the consultation with social partners on the development of a European Energy Consumer Checklist that will provide practical information to consumers on their energy rights.

The new legislation will also give incentives for investment by increasing transparency and access to market information. It will increase monitoring and reporting on generation and supply adequacy. It will also help stimulate new investment in grids and, importantly, decentralised generation and smart grids by opening up networks to new players and tackling the distortions created by vested interests.

And importantly, a new Agency for the Cooperation of Energy Regulators will help to ensure and monitor the flow of power and gas around the EU, by resolving technical and legal cross-border

issues which can act as a brake on new investment and technology deployment.

The internal market will certainly help create the conditions for more secure supplies and more sustainable forms of energy demand and supply. But the market alone is not enough. That is why we need the clear hand of public administration, helping to shape and implement our energy policy. This is particular acute in the areas of technology, energy efficiency and infrastructure.

Technology

First, on technology. Quite simply, none of our energy objectives, let alone a change to a truly sustainable Europe by mid-century, will be possible without a step-change regarding technology research, demonstration and dissemination. This is why the European Strategic Energy Technology Plan is one of my highest priorities.

To realise our technology ambitions, our partnership with the public sector is paramount. Your support for new technologies, your skills, your training and where necessary re-training and your innovation and expertise: all these elements are absolutely critical to translate political goals into the reality of peoples' lives.

Once again, the role of skills is crucial.

The energy sector needs more skilled workers, more people making energy their career, more

people involved in energy technology development and deployment. I might add that this problem is not limited to Europe; it also affects many of our partners. But let us be clear. Wherever new energy technology investments are planned, whether in the conventional, renewable or nuclear sectors, many thousands of jobs could be created for 2.8 million people.

Long term, sustainable growth and jobs are among the main expected outcomes of the European Industrial Initiatives that we are developing in the Strategic Energy Technology Plan. But this requires significant and bold upfront investments in risky technologies over the next decade, starting now, in the middle of the current economic turmoil. I welcome EPSU's support for industrial investments in the low carbon technologies of the future.

The market for clean energy technology, for example windmills, solar/PV panels, low emission vehicles, or buildings insulation, has started to develop. It is vital that the economic recession does not jeopardise this progress. I therefore welcome the continued commitment of public authorities and agencies across Europe to the Commission's sustainable energy campaign.

Let me also mention the Covenant of Mayors. This is a useful way in which local and regional authorities can come together to take action to reduce energy use and emissions, and help mitigate climate change. It is crucial that public authorities set a good example in sustainable investment.

Energy efficiency

There are a lot of examples of excellent local initiatives, so it is difficult to pick out one or two. But here are a couple.

- In Hannover, Germany, the Stadtwerke, in partnership with five local councils, has set up a new Climate Protection Fund, ProKlima, to support energy-efficient retro-fitting of older buildings, introducing passive building standards, and the wider use of renewable energy sources. The result has been a huge take up of new technologies, helping to maintain and create new jobs.

- In Norrbotten, Sweden, the local authority aims to create a new market for energy efficiency among smaller local companies. This includes vocational training, a network for energy efficiency, which now has over 80 members, and

the implementation of energy efficient measures which will save up to one third of the electricity use of participating companies and over three quarters of heating costs. This project demonstrates how a targeted cooperation between all local actors, in the public and private sectors can have a significant impact on the local economy.

It is no accident that energy efficiency is at the heart of these and many other sustainable energy initiatives. If there is one energy measure which can improve the lives of workers, reduce energy costs, reduce pollution and increase supply security, this is energy efficiency.

Energy efficiency is where local actors, and the public sector, can make a huge difference.

- **First, we all, as public servants, owe it to our constituents, Europe's people, to set the best**

example and thus demonstrate the potential for greater energy sustainability.

- **Second, the way in which public funds are spent sends a strong message to the private sector. The investments we make can have a direct influence on the often much larger investments by private companies.**
- **Finally, it is local and regional authorities who have the necessary expertise to understand the needs and expectations of citizens.**

The EU has clear ambitions on energy efficiency. We have to achieve these. Otherwise our renewables and greenhouse gas emissions targets will be all the more difficult to reach. And to do this, we rely on the commitment made by your organisations.

Infrastructure

Finally, I come back to energy infrastructure. As you know, the need for investment, both public and private, in energy infrastructure over the coming years is enormous, in the range of 2 trillion euros for the EU alone. I would like to emphasise here the importance of health and safety and worker training in the realisation of all such projects. The EU has taken the lead in raising the standards of employee protection throughout the continent. And we continue to do so. This is particularly noticeable in the nuclear sector, where the Commission's proposed Directive on nuclear safety will create an EU framework in this area.

As regards specific projects, the EU has identified a number of strategic "cluster" projects, such as the Baltic Energy Market Interconnection Plan, the Mediterranean Energy ring and the North Sea Offshore Wind Network. These projects are essential to improve security of supply and sustainability in the EU and will bring many new job and skills opportunities.

We are also making large funds available to help realise key projects in energy infrastructure. As well as the TransEuropean Networks for Energy and the Structural Funds, there are almost 4 billion euros earmarked as part of the European Economic Recovery Plan. I say once more: we need the collaboration, commitment and skills of Europe's public sector employees to make these projects succeed.

Conclusion

Ladies and Gentlemen, EPSU and its related bodies are important partners of the European Commission in our work. Your views are important to us. And the EU will not achieve its political goals without you.

Thank you for your attention.