

CZ PRES Priorities in Energy

What was achieved

**Trends in the European Energy Industry,
Prague, September 20th 2010**

Roman Portužák

Director of Power Engineering Department
Ministry of Industry and Trade of the Czech Republic



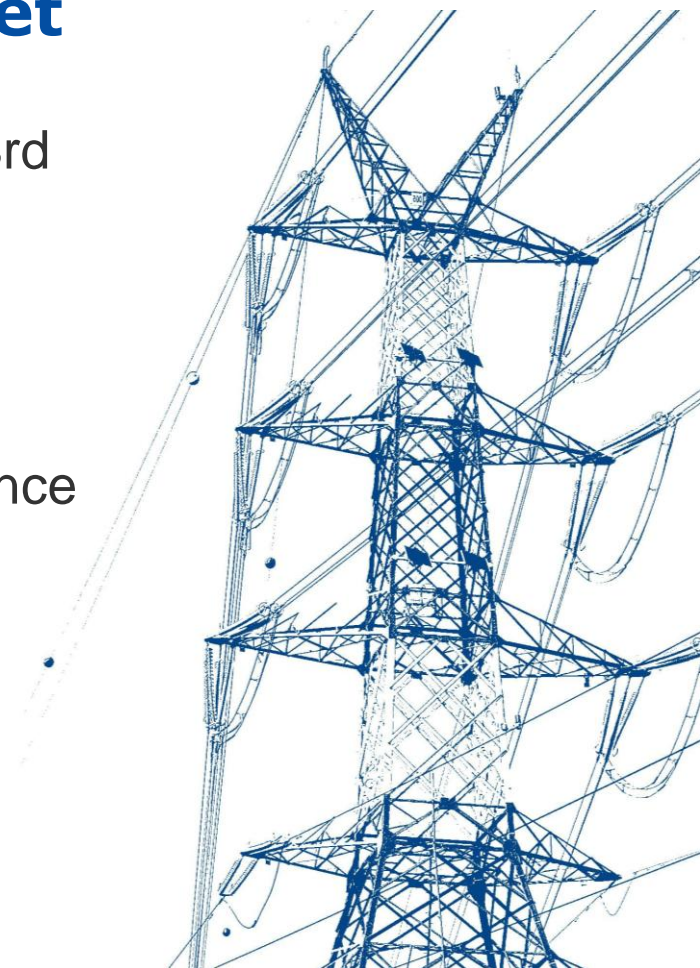
2nd Strategic Energy Review

- ✓ Key topic of the document = **Energy security**
- ✓ **The Review pronounces main issues of the current EU energy policy:**
 - 👍 Diversification of supplies, infrastructure demands
 - 👍 External relations in energy
 - 👍 Oil and gas stocks
 - 👍 Energy efficiency
 - 👍 Optimal use of domestic energy sources
- ✓ The EU Member States supported the document
- ✓ The aim of CZ PRES was to reach consensus upon the Council Conclusions for the forthcoming Spring TTE Council, followed by the Spring European Council ⇒ **FULFILLED**



Internal Energy Market

- ✓ **Finalization** of the legislative process of the 3rd liberalization package was the number one priority of CZ PRES
- ✓ **Completed steps**
 - Number of dialogues with EP ⇒ convergence of the EP and Council positions
 - ITRE/EP approval of 3rd Internal Energy Market package



Energy Security

Emergency Oil Stocks

- ✓ Energy security - a key topic of 2nd Strategic Energy Review
- ✓ **Main features of the Oil Stocks Directive:**
 - 👍 Simplified methodology of calculation
 - 👍 Improved accessibility of all stocks
 - 👍 Better control over stocks
 - 👍 Shared responsibility of Member States and Commission when releasing stocks
- ✓ **CZ PRES reached political agreement on Oil Stocks Directive ⇒ GOAL WAS FULFILLED**



Energy Efficiency

- ✓ CZ PRES prepared a **Progress Report** on the following proposals:
 - 👍 **Recast of the Buildings Directive**
 - 👍 **Revision of the Energy Labelling Directive**
 - 👍 **Proposal for a Directive on Labelling of Tyres**
- ✓ EU long-term goal: **increase of energy efficiency by 20 % until 2020**



What was not expected?

✓ Gas crisis

- ⇒ Extraordinary Energy Council in January
- ⇒ Topic was also reflected in February Energy Council conclusions (based on 2nd Strategic Energy Review)

✓ European Economic Recovery Plan

- ⇒ Total **€ 3.98 bn** divided between three types of energy projects (gas and electricity interconnections, offshore wind, CCS)

✓ Russian proposals

- ⇒ „Conceptual approach“ and „Transit treaty“

✓ Nuclear Safety Directive

- ⇒ **General agreement on substance**, expected to be finalized as „A“ point 25th June



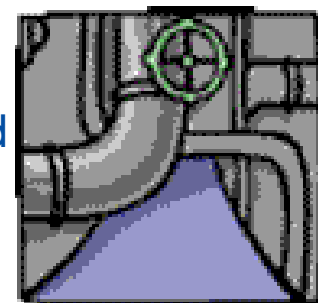
Gas dispute (I)

✓ Course and impact of the crisis

- Beginning of January: complete interrupt of gas supply across Ukraine
- Ukraine and Russia blamed each other
- CZ PRES and Commission requested immediate restoration of supplies, CZ PRES organized extraordinary meeting of EU Ministers, meetings in Moscow and Kiev

✓ What has been found out?

- Not all the EU countries depend on Russian gas – unified EU mechanisms do not work
- Worst impacts on Bulgaria, Slovakia, Romania, Austria; outside EU Moldova, Macedonia
- EU countries were able to speak the same of language
- Solidarity between EU Member States (e.g. CZ and SK) ⇒ reduced impacts on industry



Gas dispute (II)

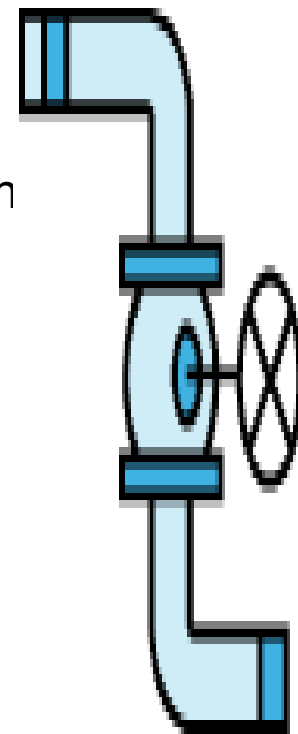
What measures should be taken?

✓ Short term measures

- Provide reversal flow of gas – both from east to west and west to east
- Use „early warning mechanism“ not only for supply, but also for transport
- Solidarity among EU Member States should go without saying

✓ Long-term measures

- Inter-connectors between Member states ⇒ allows flexible reaction
- Strategic gas storage for certain regions
- Building-up of LNG terminals despite its high cost: way of diversification of suppliers
- There are other energy sources outside gas: nuclear, renewable sources, fossil fuels





CZ PRES Events (I)

- ✓ „In Search for Security of Energy Supply of the EU Member States on the Common Electricity Market“ Ostrava, 29th - 30th January
- ✓ **Main Conclusions & Recommendations:**
 - 👍 **Leave all possibilities open** - No technology of electricity generation can be discriminated if fulfills requirement to safety and environmental protection. Energy mix is and will be in responsibility of the member states.
 - 👍 **United European Transmission Network** - There is necessary to co-ordinate construction and modernisation of transmission networks within the scope of European regions (synchronously connected areas) together with investments to new sources and with respect to electricity consumption development.
 - 👍 **Speed up license procedures for construction of new facilities** – simplifying and harmonisation of national and European standards to accelerate license procedures for new construction and modernisation of network infrastructure is really urgent

CZ PRES Events (II)

European Energy Nuclear Forum Prague, 28th - 29th May

Main Conclusions & Recommendations

- ✓ It is necessary to pay attention to the nuclear technology research, particularly to the reactor systems of 3rd and 4th generation
- ✓ Increasing demand will have to be covered from nuclear energy sources
- ✓ Although we work hard on increasing energy efficiency, **total electricity consumption will be constantly growing**
 - ⇒ Nuclear is one of possible solutions

Other Events

- ✓ **Internal Investment Conference on Ukraine gas transit network, Brussels, 23rd March**
- ✓ **EU-Russia Energy PPC Moscow, 30th April**
- ✓ **EU-Russia Summit Chabarovsk, 21st –22nd May**
- ✓ **Eastern Partnership Summit, Prague, 8th May**
- ✓ **Southern Corridor Summit, Prague, 7th May**

What was achieved?

- ✓ **2nd Strategic Energy Review**
- ✓ Finalization of the **3rd Internal Energy Market package** (5 legislative acts)
- ✓ Political agreement on **Oil Stocks Directive**
- ✓ Approval of **Nuclear Safety Directive**
- ✓ Progress report on **Energy Efficiency Package** (Eco-design directive finalized in 1st reading)



Thank You for your attention

EU2009.CZ

Europe without Barriers