FLEISHMANHILLARD

The power of true

THE STATE OF THE ENERGY UNION

Outcomes & Analysis

20 November 2015

Contents

1. Executive Summary

What happened

On 18 November, the European Commission came forward with its first 'State of the Energy Union' (SOTEU) report. The report, which was accompanied with a large swathe of documentation (25 documents in all), gives an assessment of where Europe is in terms of achieving the objectives laid out in the Energy Union Strategy of February 2015 (For our analysis of this package, please see here) and outlines the legislative proposals for 2016.

Why it matters

Overall, the report sets out a snapshot of the current situation. Indeed, the accompanying documentation are for the large part a conglomeration of existing documents, rebranded under the 'Energy Union' umbrella. It is notable that of the 25 documents published on the 18th of November; only one had legislative effect and was published in the Official Journal of the European Union.

Most important of all however, are the steps it takes to give **greater guidance on how the Energy Union will be governed and how the EU renewable and energy efficiency targets for 2030 will be achieved.** At present, it remains unclear exactly how much scope the EU will have to enforce these targets in particular in Member States due to the European Council position rejecting binding renewable and energy efficiency national targets. Via the Guidance documents issued to Member States, the Commission is prompting Member States to come forward with their plans for the post 2020 period (So far, only a third of Member States have developed plans for the post 2020 period).

Looking ahead, it is worth bearing in mind that the Commission's governance is a legislative proposal and thus, must go through co-decision involving the Member States and European Parliament. Winning the support from Member States, who are traditionally resistant to giving the Commission greater powers on such matters, will remain a challenge for the Commission.

The Energy Union's 2020 Goals: Assessing the EU's progress

There are five dimensions to the Energy Union; 1) Decarbonisation, 2) Integrated internal energy market, 3) Energy efficiency, 4) Energy security and 5) Research and Innovation. When discussing the Energy Union, it is important to distinguish between the 2020 Climate & Energy Framework and the targets set for 2030 as part of the 2030 Climate & Energy Framework. This is something which the jumbled SOTEU report fails to do.

Looking specifically at 2020, we can see that progress in achieving the targets set has been very mixed:
- ☑ **The good:** In terms of decarbonisation the EU is on track and should achieve the targets it set itself for 2020 in reducing GHG emissions and promoting renewables.
- ☒ **The bad**: For energy efficiency, the EU is only likely to reach a 17.4% improvement by 2020, below the targeted 20% figure. Despite having set a deadline of 2014, the internal energy market remains far from complete, with major regional differences and vital interconnectors missing.

What needs to be done: 2016 the year of Implementation

Looking ahead, the report views 2020 as yesterday, and the focus has now switched to 2030 and how the EU can reach the targets it has set itself. Here, a lot needs to be done, indeed, **2016 has already been dubbed by the Commission the "year of implementation"**. Over the course of the next 12 months, the European Commission will come forward with legislative proposals to translate the 2030 Climate & Energy Framework agreed by Heads of State in October 2014 into legislation. Indeed, speaking at the presentation of the SOTEU, Commission Vice President Šefčovič said that 90% of what the Commission promised as part of its Energy Union Strategy would be delivered by the end of 2016.

Next Steps

- **26 November 2015**: EU Energy Ministers will meet and adopt conclusions on governance.
- **2016**: Key legislative proposals will be presented over the course of 2016. These proposals will be presented in three separate legislative packages.

2. The Energy Union Scorecard

The Energy Union is based on five dimensions; in this section we first outline what the Commission's SOTEU reports say on progress in each of these dimensions. We follow this up with our assessment of how the EU is performing. Looking ahead to 2030, we outline what we believe are the key challenges for the EU in each = dimension.

1. Decarbonisation

GHG Emissions

2020: Overall, the EU is on track to meet its target for reducing greenhouse gas emissions by 20% below the 1990 level. Indeed, EU emissions in 2014 were 23% below 1990 levels and EU projections estimate that emissions are expected to be 24% lower in 2020 than 1990.

2030: Looking ahead, focus on GHG reductions has already shifted from 2020 to 2030. Heads of State at the October 2014 European Council agreed to a 40% emissions reduction target by 2030.

FH Assessment

+ **2020:** While the EU is clearly on track in reducing emissions, one must take into account that to this is somewhat by default given the effect of the financial crises on emissions. Similarly, question marks can legitimately be raised on the marginal cost-abatement of these reductions. Above all else, the EU needs to tackle its coal problem. The UK recently announced shut down all coal-fired power plants unequipped with CCS by 2025. Corresponding measures by other Member States would be welcomed.

+ **2030**: Looking ahead, in order to achieve a 40% GHG reduction by 2030 strong revision of the Emissions Trading System (ETS), the chief instrument to decarbonize Europe's energy systems is essential. A proposal to revise the ETS was published in July (See FH analysis here) and is currently going through co-decision. All eyes will be on the COP 21 Global Climate Conference and what type of global climate agreement can be reached. A strong global agreement would act as a catalyst for meaningful ETS reform and may help to push up the ETS price close to the €25/30 a tonne market originally envisaged when the ETS was first designed.

+ Even with meaningful ETS reform, question marks will likely remain over whether the ETS alone is enough to get us where we want to be in terms of GHG reductions. Complementary measures such as Emissions Performance Standards and proper enforcement of the Industrial Emissions Directive may be needed to plug the gap. Expect discussions on such topics in the EU debate to pick up in the coming years.

Renewables

2020: On renewables, the EU is also on track and expected to meet its 2020 renewables targets. Indeed, all but three EU Member States (Luxembourg, the Netherlands and the UK) met their 2014 interim target.

2030: Looking ahead, the debate has already shifted to 2030 with the EU having signed up to target of at least 27% renewables by 2030 at the EU level. At the EU level this means that this target cannot be made binding on individual Member States. The Commission will release a proposal to revise the existing Renewable Directive, updating it in line with the agreed 2030 targets in the second half of 2016. As part of this preparation, the Commission launched a public consultation, which will run until 10 February 2016. The accompanying consultation document notes that renewables are not reaching market maturity and asks how the EU can create a market based environment in which renewables can attract the required investments cost-efficiently.

+ The challenge firstly for the EU is to establish what exactly a 27% target binding at the EU level actually means. Squaring the positions of Germany, who as part of the 'Energiewende' have committed themselves to a higher penetration of renewables, with those of the UK and Czech Republic, who remain vehemently opposed to anything which can be interrupted as the EU trying to introduce binding renewables targets through the backdoor, will be key, if very difficult.
+ Secondly, creating a suitable market design which can adequately deal with this greater penetration of renewables will be crucial. The Commission needs to push back on the current trend of renationalisation of energy policy through, for example, capacity mechanisms and propose new incentives for smart grids and rewards for flexibility.

2. Energy Efficiency

EU Progress reports

2020: Despite having set energy efficiency targets of 20% by 2020, the EU is falling short and looks set to reach only 17.4% primary energy savings by 2020.

2030: Looking ahead, in October 2014, the European Council agreed to an EU indicative target of an at least 27% improvement in energy efficiency by 2030, possibly rising to 30% based on a Commission review. The Commission will release a legislative proposal to achieve this 2030 energy efficiency savings target in the second half of 2016. The primary focus of the Commission's actions in the energy efficiency will be on the buildings sector.

FH assessment

+ Although regularly referred to as "the low hanging fruit" for Europe's climate and energy challenges, from a public policy perspective, delivering on energy efficiency has proved much more difficult than outlying its numerous benefits.
+ "It's the financing stupid!": The chief obstacle remains financing, with Member State authorities remaining reluctant to provide short term loans for renovations in the buildings sector. Battles between Energy and Finance Ministries are prevalent, with Finance Ministries take money from the national coffers for these loans. Subsidiarity is also a major issue and while the targets are agreed at EU level, the building renovations themselves taking place at the local level, involving mostly local and regional authorities.
+ Looking ahead, unless Member States and local authorities can crack these financing and subsidiarity challenges associated with energy efficiency (not to mention the difficulty of getting individual homeowners to move forward on renovation – the 'hassle factor'), no major breakthroughs can be expected. Indeed, the heated debate on whether the energy efficiency target for 2030 should be 27% or 30% seems largely redundant compared to these twin challenges.

3. A fully Integrated Internal Energy Market

With regard to the 10% electricity interconnection target for 2020, 22 Member States are on track. However, interconnectors are still needed to further deepen the internal electricity market as in gas and electricity major price differentials remain between Member States and regions. The Commission is clear that this is caused by two reasons 1) the effects of long term contracts and 2) missing interconnectors.

Looking ahead, the Commission has proposed to extend this current 10% interconnector target to 15% by 2030.

FH assessment

+ In 2011 Heads of State recognised the importance of having an internal energy market in place and set a clear date for its completion by 2014. However, the EU woefully missed this 2014 deadline and while gas progress has been made, a lot still remains to be done in order to have a fully integrated internal energy market.

- Better infrastructure connections will drive down prices, something the EU badly needs as EU consumers and industries still pay some of the highest electricity prices in the world on average. In fact, according to Commission documentation (Slide 4) accompanying the report, when it comes to industry, only Japan has higher electricity prices for energy.
- The forthcoming new market design package has the potential to be the most important part of the Energy Union – if the EU can answer the questions that large-scale intermittent renewables and national capacity mechanisms pose to the internal market then a number of the major challenges will be easier to deal with.

4. Energy Security

The Staff Working document on 'European Energy Security Strategy (EESS)' accompanying the SOTEU report gave an assessment of the four pillars of the EESS strategy. In gauging the resilience of the European gas sector, it notes that the level of resilience and preparedness has improved significantly since the first major Russia-EU-Ukraine gas dispute back in 2009.

Looking ahead, as part of its 'Gas Strategy', to be released in February next year, the Commission will propose a revision to the Gas Security of Supply Regulation. Accompanying this will be an LNG and gas storage strategy, and a review of the current setup with regard to intergovernmental agreements in gas.

FH assessment

- Overall, we can see that the EU is in a much better situation today, something which was demonstrated in a report published following the Commission's October 2014 Stress Tests. This report analyzed the effects of a possible partial or complete disruption of gas supplies from Russia.
- However, today, a number of Member States in the Baltics and Central and Eastern European region still remain entirely or predominantly dependent on gas supplies from Russia, most notably Bulgaria, Czech Republic, Estonia, Finland, Hungary, Latvia and Slovakia. More still needs to be done to bring new sources of gas supply to the region and improve connectivity of gas supply in the region. Regional cooperation, in particular the Central and South Eastern Europe Gas Connectivity High Level Group (CESEC), which seeks to promote projects that help diversify gas supplies in the region, are key to overcome these challenges. Elsewhere, more LNG terminals, akin to the recently opened Klaipeda LNG terminal in Lithuania, will bring new sources of gas supply to a region which continues to remain overly dependent on a single gas supplier.
- The key test for the Energy Union, and EU energy unity overall, will be the North Stream pipeline. The Commission acknowledges this in its SOTEU report, explicitly stating "If built, Nord Stream 3 and 4 would not give access to a new source of supply and would further increase transmission capacity from Russia to the EU". While the project has the support of a number of large Member States, it is clear that from an EU wide security of supply perspective, the project is not optimal; although it would diversify supply routes, would not diversify suppliers (still Russian gas) nor counterparts (still Gazprom).

5. Research and Innovation

Achieving the EU's climate targets will require much innovation and the breakthrough of new low carbon technologies. At present, it remains too early to assess whether the EU's efforts to promote research and innovation via schemes such as the SET plan, financing under the European Fund for Strategic Investments and the new proposed ETS Innovation and Modernisation Funds will lead to these necessary breakthroughs.

3. Governing the Energy Union

Perhaps most interesting of the whole SOTEU is the clarification the Commission gives on how the Energy Union will be governed and how the EU renewable and energy efficiency targets for 2030 will be achieved. At present, it remains unclear exactly how much scope the EU will have to enforce these targets in particular in Member States.

In its SOTEU, the Commission says that it plans to "anchor" governance in legislation through a single legislative proposal that would streamline all energy and climate reporting requirements for 2030. By coming forward with a legislative proposal that must go through co-decision, the Commission is guaranteeing the involvement of the European Parliament who feels that they have been overlooked throughout the Energy Union discussion process.

The governance of the Energy Union will be based predominantly on the Member State's integrated national climate and energy plans. The Commission says that preparatory work should begin immediately and that they must be operational before 2021. A guidance note annexed to the SOTEU gives a clear outline of what Member States need to provide. The document launches and explains the main steps of the gradual process from now until what the Commission hopes will be the finalisation of national plans in 2018. The national plans will include "the main roles and tasks of both Member States and the Commission".

Process
Looking ahead, according to the Commission, the process for the governance of the Energy Union will be the following:

- **2016:** The Commission will present a legislative initiative on streamlining the planning and report requirements and present a template for the structure of these national and energy climate plans in 2016. Interestingly, these plans should cover the period 2021 to 2030, including a perspective until 2050. By autumn 2016 Member States should present their integrated projections.
- **2017:** Draft national plans should be presented by Member States to the European Commission by 2017. The Commission will issue recommendations on the draft national plans and present them in subsequent SOTEU addresses.
- **2018**: Final plans should be submitted to the Commission.
- **2020 onwards:** Member States should provide progress reports every two years on the implementation of national plans starting in 2020. National plans will only be updated once during the period 2021 to 2030.

For more information see: Timeline for developing national and climate plans in pg. 9 of this document.

FH assessment

+ This is where we could see significant political disagreement between different groups and member states and the Commission, with the European Parliament adding a further level of complexity. A protracted argument over competence is likely, though the 2014 Council conclusions mean those Member States who object to national targets are in a strong position, Germany will push hard on the need to meet the EU wide renewable and efficiency targets. Elsewhere, Poland will likely object to any reference to 2050.

4. 2016 'A Year of Implementation': Key Legislation in the Pipeline

"2016 will be an important year, in which the strategic vision of the Energy Union Strategy will be translated in EU level legislative initiatives" - The State of the Energy Union Communication 2015

The following is an assessment of the key pieces of legislation, all included as part of the European Commission's Energy Union Strategy, that we can expect in 2016. Indeed according to the Commission Communication, 90% of legislation on the Energy Union will be released by the end of 2016.

1. Decarbonisation

- o **Proposal on non ETS sectors**: The effort sharing decision proposal will cover buildings, agriculture and the de-carbonisation of transport. The Commission will propose legislative proposals to achieve a 30% reduction in these non ETS sectors by 2030.
- o **Renewables 2030 targets:** The European Council Conclusions of October 2014 set the EU renewables target for 2030 at 27% binding at the EU level but not binding at the individual Member State level. Proposals to achieve this are expected in the second half of 2016. A consultation 'Preparing for the New Renewable Energy Directive' has been launched. It will run until 10 February 2016.
- o **Including Land use, Land Use Change and Forestry (LULUCF) in the 2030 Framework**: A consultation on including agriculture, forestry and other land use in the 2030 Framework closed in June 2015. The consultation suggests that the sector could be included in a future Effort Sharing Decision (ESD), a policy that currently regulates emissions from non-industrial sectors such as agriculture, transport and buildings. Alternatively, LULUCF and non-CO2 emissions from farming could be merged into one pillar.
- o **Sustainability criteria for biomass**: The Commission is expected to come forward with a proposal for sustainability criteria for biomass in the post 2020 period. This proposal has long been on the table but has been constantly push back the European Commission. It now likely that a proposal on this political sensitive issue will come in 2016.

2. Energy efficiency

- o **Energy Efficiency Package**: The European Council Conclusions of October 2014 set an indicative target for 2030, thus non-binding. Looking ahead, the Commission recently said that the target will likely be 30% for 2030, up from the 27% agreed by Member States in October. The energy efficiency package is expected to focus on Article 6: 'Purchasing by public bodies' and Article 7: 'Energy efficiency obligation schemes'. Separate proposals to update the Energy efficiency in buildings will also be published. On buildings, the Commission wants to ease access to financing.
- o **Heating and cooling**: A strategy dedicated to heating and cooling is planned for early 2016. The strategy will seek to identify solutions and measures to reduce demand for heating and cooling in the residential, tertiary and industrial sectors.

3. A fully integrated internal energy market

- o **Electricity market design:** Following on from the July Communication, the Commission is expected to come forward with a legislative proposal in July 2016. A consultation on new market design recently closed. The Commission will push back on the renationalisation of energy policy through for example capacity mechanisms and propose new incentives for smart grids and rewards for flexibility. Among the objectives of this legislation will be to have better linked wholesale and retail markets; more regional cooperation and cross border trade; and developing short-term and long term markets to send the right investment signals for modern technologies to both producers and consumers of electricity.

- o **Review of Agency for the Cooperation of Energy Regulators (ACER):** In its Energy Union Strategy, the Commission is clear that ACER requires a "significant reinforcement of powers and independence". That would allow it oversight "as European regulator" of the EU's internal energy market and "deal with all cross-border issues necessary". At present, ACER currently only takes decisions at the request of national regulators. It acts through non-binding recommendations and decisions.
- o **15% electricity interconnector target by 2030**: A follow on to the Council Conclusions, the Commission should come forward with report on how the EU can achieve a 15% electricity interconnector target by 2030.

4. Security of supply

- o **Revision of the Security of gas supply regulation**: A consultation on this closed in April 2015. A report published following the Commission's October Stress Tests, which analyzed the effects of a possible partial or complete disruption of gas supplies from Russia, indicated that Europe was rather well prepared but that there remains areas where "better implementation can further bolster Europe's security of supply situation". The review is expected to focus on these areas. It is likely to propose preventive and emergency plans at regional and EU level, including Energy Community contracting parties.
- o **Revision of the decision on intergovernmental agreements:** The Commission says it should be involved in the negotiation of energy agreements *before* they are signed rather than post as stipulated in the current Regulation.
- o **Revision of the Security of electricity supply**: The Commission will propose a new legal instrument on security of electricity supply designed to enhance transparency, ensure a common approach and better address cross border solutions. This will be integrated with the aforementioned electricity market redesign.

5. Governance

- o In 2016, the Commission will come forward with a proposal on streamlining planning and reporting obligations related to energy and climate. The Commission will also come forward with guidance on how to strengthen regional cooperation in the broader sense and how the Commission can facilitate regional approaches.

5. The thoughts of Fleishman's experts

Matt Hinde,
Head of FleishmanHillard Energy Practice:

"The SOTEU is more than a progress report; it represents the start of the legislative process that will dominate the next 2 years. The Commission now needs to move forwards with proposals to improve security of supply and to work out how it can meet EU-level targets for renewable and energy efficiency without national targets".

"Of key importance is the need for a new market design that cost effectively integrates intermittent renewable energy into the internal market, progressively reducing the cost of support systems and dealing with the question of how national capacity mechanisms can operate whilst maintaining the integrity of the cross border market".

Jean-Arnold Vinois,
Advisor to FleishmanHillard
Former Acting Director of Internal Energy market, DG Energy, European Commission

"I very much welcome today's SOTEU. Above all else, I hope it raises awareness that there is a clear lack of strategy in Member States Climate and Energy plans post 2020. Indeed, according to the Commission's report, two-thirds of Member States have no national strategy beyond 2021. It is clear that there has been a lack of reflection by Member States on this and it is going to prove difficult to get the denominator right at EU level".

"Looking ahead, the willingness to bring about a real Energy Union will be tested with projects like Nord Stream 2. This project has clearly divided Member States and there is the risk of there being an inopportune division of the Member States vis-à-vis a key supplier".

Chris Davies,
Advisor to FleishmanHillard
Former Member of European Parliament

"This is a package that will force Member States to put their thinking caps on and put down on paper how the will achieve the 2030 goals. The national energy and climate plans are supposed to provide long term certainty to investors and that's a tall order".

"However, the Commission's call for the inclusion of a 2050 perspective is so vague that MEPs are certain to want to add their own voice".

Annex

I.   Stakeholder Reactions

Overall, stakeholders reacting to the State of the Energy Union report seem to agree that progress has been made but that much remains to be done.

- o   From the industry's side, the report was treated as an opportunity to put forward their own expectations for the upcoming 2016 legislative proposals.
- o   Environmental NGOs were united in their criticism of the Commission's focus on gas over renewables as an important part of the energy transition. In this, their stance is not much changed from when the Energy Union was first launched in February 2015.
- o   The major European parliamentary groups welcomed the report in their press releases, but each also emphasized the areas in which they think further progress is possible.

Industry & NGOs

- Overall, industry welcomed the State of the Energy Union report, but was also quick to communicate what concrete issues they feel must be addressed when legislation starts to come out next year. For example, EURELECTRIC welcomed the report, calling it "a renewed opportunity for Member States to coordinate their national policies and pool resources, delivering secure, competitively priced and sustainable energy for citizens and businesses within an integrated EU energy market," and voicing its support for the development of a holistic governance system to achieve the EU's 2030 climate and energy targets. The statement also called for swift action within the scope of the Energy Union in many areas, including the acceleration of the integration of electricity markets, and the development of cost-effective interconnection capacity so as to enable the single electricity market. EURELECTRIC also called for the Energy Union process in the future to focus more on exploring ways to make support for energy-related policies less "distortive and burdensome" on power bills.

- Eurogas also welcomed the report, while emphasizing that more needs to be done with regards to an interconnected energy market in all parts of Europe. It also highlighted the need to put consumers at the centre of EU energy policy. Eurogas Secretary General, Beate Raabe, said in a statement: "Eurogas fully supports the objectives of the Energy Union. We note that the Commission aims to move away from an economy driven by fossil fuels and would urge the distinction in this context between gas and higher carbon fuels if we want to see a cost-efficient, market-based transition to a sustainable, low-carbon energy mix."

- On Twitter, Statoil ASA and its Head of EU Affairs, Anders Marvik, welcomed the report, and especially the focus on the North Sea region. They also pointed out that innovation is key to accelerating energy transition, and asked the Commission to evaluate the Innovation Principle for EU policy making.

- Key actors in the renewable energy sector (including Solar Power Europe and EWEA) issued a joint statement in which they emphasized the importance of a robust and reliable Energy Union governance system, welcoming the Commission's commitment to ensure the implementation of 2030 targets by securing the governance of the Energy Union in legislation. For the legislative proposals on renewables expected next year, the signatories highlighted that they wish the new Renewable Energy Directive to include the governance elements relative to renewable energy. They also called for a mid-term review of Member States' climate and energy plans to ensure predictability for renewable energy investors, and asked that these plans should include paths for increasing the share of renewable energy technologies until 2030.

NGOs

- Unsurprisingly, the environmental NGOs were unimpressed by the results of the Energy Union report. In this regard, their position has not changed since the Energy Union was launched in February 2015. Imke Lübbeke, Head of EU Climate and Energy Policy at WWF European Policy Office, said that "the concept remains a vision with blind spots", pointing out the lack of attention to coal phase-out, the Commission's ambitious plans for gas infrastructure and its lack of attention to renewables.

- Similarly, Greenpeace EU criticized the Commission for its focus on the role of gas over renewables in a sustainable energy transition within the framework of the Energy Union. In addition, Greenpeace expressed concern for the Energy Union's plan to create an integrated internal energy market while failing to correct the current market bias in favour of nuclear and fossil energy. Friends of the Earth voiced similar criticism of the Energy Union's gas focus and its insufficient energy efficiency and renewable targets.

- Ahead of the speech on 18 November, Council of European Municipalities and Regions (CEMR) and four other networks of European local and regional governments published an open letter to Energy Union Vice-President Maroš Šefčovič, in which they welcomed steps taken to support local action on energy policy, but also urging a "change of perspective" and a stronger partnership with cities and regions in the implementation of EU energy and climate policies.

European Parliament

- The Greens/EFA group largely continued the line taken in February, when they called the Energy Union "an inauspicious start" to the EU's climate and energy future. Spokesperson MEP Claude Turmes acknowledged that the Commission has taken encouraging steps forward with regards to ending fossil fuel subsidies and introducing a binding 30% target for energy efficiency by 2030, yet also stated that "overall the picture is incomplete". According to The Greens, the Commission has failed to outline how the EU is to achieve global leadership in renewables, and missed the chance to take a firm stance against the Nord Stream gas pipeline project.

- The Socialist and Democrats group (S&D) expressed its support for the Commission's report, emphasizing in particular the Energy Union's ability to increase EU energy security, and ensure affordable energy for citizens and companies. Interestingly, the S&D also highlighted the Commission's focus on energy poverty, which is not a topic often discussed in relation to the Energy Union. The S&D statement also emphasized the importance of enabling an integrated internal energy market, and the need for binding targets on, for example, energy efficiency.

- The ALDE group welcomed the report as an important step in developing a single energy market, strengthening energy security and reaching EU climate goals, but also stated that "much more needs to be done by EU countries to reduce dependence on imported fossil fuels and de-carbonise the European economy". The group highlighted the failure of many Member States to implement the targets, and the need for a holistic approach to address this. ALDE MEP Morten Helveg Petersen said: "We all need to step up to the challenge. The Commission has set out a solid roadmap for progress but it must remain ambitious and aggressive in ensuring that we deliver on our targets, national governments have to coordinate and cooperate better, and the European parliament must step up to our responsibilities to deliver strong support for the crucial legislation that is needed to deliver the Energy Union over the coming years".

In line with Maroš Šefčovič's very active social media presence, Twitter was also buzzing with chatter on the State of the Energy Union address, with #StateofEnUn15 and #EnergyUnion hashtags trending in Belgium. Several NGOs were quick to criticize the Vice-President's lack of emphasis on renewables, with Friends of the Earth attacking gas specifically, launching their anti-gas campaign #gasstinks.

Maroš Šefčovič @MarosSefcovic · 5h
Have you got 2 minutes? Let me tell you what #StateEnUn15 is all about! Got a few more? Click on the link
Maroš Šefčovič
State of the Energy Union #StateEnUn15
#StateEnUn15 is a brand new instrument that will allow us to assess, on an annual basis, how we are doing and where we should step up our efforts to implement the #EnergyUnion.

Christian Spillmann Retweeted
Greens in the EP @GreensEP · 1h
EU Commission vision on energy transition still an incomplete picture. #EnergyUnion update greens-efa.eu/energy-union-1...
Claude Turmes

AndersMarvik @StatoilEU · 23m
.@MarosSefcovic: innovation is key to accelerate energy transition. Please evaluate Innovation Principle for EU policy making #stateenun15

Friends of the Earth @foeeurope · 25m
Our reaction to #EnergyUnion: foeeurope.org/EU-backing-wro...
EU must switch from gas to efficiency & renewables

Greenpeace EU @GreenpeaceEU · 5h
Commission snubs #renewables in EU #EnergyUnion. Our comment bit.ly/1HY1QVK #StateEnUn15 @MarosSefcovic

Sean Kelly MEP @SeanKellyMEP · 3h
Great news for Kerry and #Shannon #LNG today. A key part of @EU_Commission #EnergyUnion strategy @MAC_europa #EnergySecurity

Euroheat & Power EHP @EuroheatPower · 6h
Way forward: national promotion of #districtheating & high-efficiency #CHP #EnergyUnion #StateEnUn15 #HeatingEU
In particular, the share of heat produced from high-efficiency combined heat and power (CHP) as well as high-efficiency district heating and cooling needs to be further promoted by Member States.

III. Wordcloud: The Key Trends

Insight:

- 'Energy' takes first place, unsurprisingly, followed by 'Commission', 'Member,' 'States', and 'European'
- 'Gas,' 'Efficiency,' 'Market' and 'Electricity' are all featured prominently, reflective of the Commission's priorities for 2016, whereas 'coal' and 'renewables' aren't visible at all.
- Interesting to see 'Regional' featured; emphasis on the importance of the regional dimension of completely the internal energy market.

IV.   Documentation

- Communication on the State of the Energy Union 2015
- Annex 1: Updated Roadmap for the Energy Union – November 2015
- Annex 2: Guidance to member states on national energy and climate plans as part of the energy union governance
- State of the Energy Union – Factsheet
- Monitoring progress towards the Energy Union objectives – Concept and first analysis of key indicators
- National factsheets
  - Austria
  - Belgium
  - Bulgaria
  - Croatia
  - Cyprus
  - Czech Republic
  - Denmark
  - Estonia
  - Finland
  - France
  - Germany
  - Greece
  - Hungary
  - Ireland
  - Italy
  - Latvia
  - Lithuania
  - Luxembourg
  - Malta
  - Netherlands
  - Poland
  - Portugal
  - Romania
  - Slovakia
  - Slovenia
  - Spain
  - Sweden
  - United Kingdom
- Climate action progress report, including the report on the functioning of the European carbon market and the report on the review of Directive 2009/31/EC on the geological storage of carbon dioxide
- Staff working document: Technical information to the climate action progress report
- Annex: Report on the functioning of the European carbon market
- Annex: Report on the review of Directive 2009/31/EC on geological storage of carbon dioxide
- Energy efficiency progress report

- Assessment by Member State on energy efficiency part1
- Assessment by Member State on energy efficiency part2
- EU energy security strategy implementation report
- Overview of Emergency Oil stocks in the EU
- Press release: Projects of common interest
- Fact sheet: Questions and Answers on the projects of common interest in energy
- Updated Union list of projects of common Interest, November 2015
- Commission Regulation on the Union list of projects of common interest
- Projects of common interest – their implementation and contribution to energy policy objectives
- Nuclear safety directive implementation report
- Assessment by Member State on nuclear safety
- Energy Consumer Trends 2010 – 2015

FH Brussels Energy Practice

Energy has become one of the most important policy areas in the European Union. Business critical issues like market regulation, energy security, climate change, infrastructure, energy efficiency and the development of new technologies (renewable, nuclear, CCS) are shaped by the European Union and its policies. The FleishmanHillard energy team has specific experience on communicating on energy issues, working with clients across the sector (gas, nuclear, renewable energies, electricity production, etc.). Our team is an excellent combination of strategic sector expertise with a strong public affairs and communications track-record.

For more information about our company and the services the energy team offers, contact Matt Hinde at matt.hinde@fleishmaneurope.com

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Industry and manufacturing sectors have always represented an economic area heavily affected by regulation and policy developments – from emission trading schemes to chemical regulation and industrial standardization. Our Manufacturing & Industrial (M&I) team is a combination of senior, strategic, sector expertise with practical hands-on communications and public affairs support. Consultants in the M&I team have a deep understanding of the regulatory framework and potential impact on manufacturing processes.

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