

# Press statement

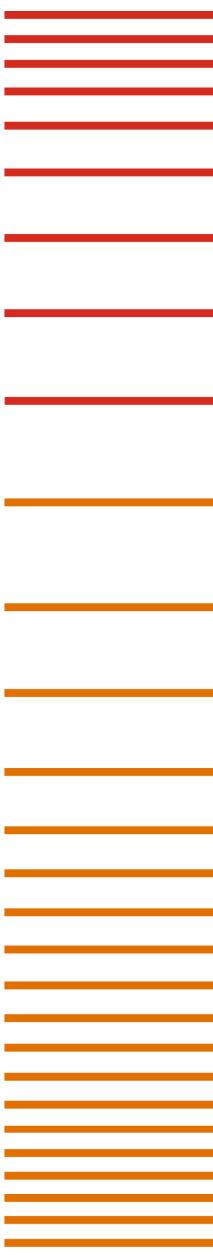
## Informal meeting with EU-ministers of Energy, 11th of April 2016 Minister Henk Kamp

### Context

- As Presidency of the Council of the European Union, we were very pleased to host the informal meeting of the Energy Ministers these last two days.
- Together with the Commissioner, Entrepreneurs and fellow colleagues, I have discussed the future of the European electricity market and the role of regional markets.
- A most important subject: a fully internal electricity market could deliver welfare gains rising up to tens of billions of euros a year.
- Moreover, a strong internal market is the basis to achieve our energy and climate goals.
- For the world needs to limit the effects of climate change and shift to more sustainable sources of energy.
- To achieve that goal, we have to use energy more efficiently, increase the share of renewables and make our energy system more flexible. And while we're doing that, we have to make sure the lights stay on and our energy bills remain affordable.
- This requires more than changes in the way we use and produce energy alone. We need to adapt our whole system – infrastructure, legislation, markets to this new reality. That requires enormous investments both in electricity generation and networks. And that, in turn requires a well-functioning internal market.
- While this may be obvious, the reality is that in recent years the EU has struggled to meet its internal energy market objective. We really need to put more effort into aligning and coordinating our energy policies.
- The current debate on electricity market design provides an excellent opportunity to address this. The Dutch Presidency believes that this informal meeting of energy ministers is the opportunity to give political direction, at an early stage to the legislative proposals the Commission is expected to present later this year.

### Retrospect Informal meeting

- In order to do so, we have spoken about the common challenges that we are facing in the energy world today and we have looked at the opportunities of European and regional cooperation.



- And we agreed on the urgency and on the essence of several key points:
  - We agreed on the importance of reaching a common approach, in order to achieve an affordable, reliable and sustainable European Energy Union. And while the ambitious climate goals all demand fundamental changes to our electricity market, we are eager to stress that the energy transition also creates opportunities for consumers and companies to keep their energy bill affordable, to establish new business models and to maintain our competitiveness with the rest of the world.

- We concluded that there is support for strengthened cooperation in the field of energy between regions and neighbouring countries as a stepping stone towards a European internal energy market. Regional cooperation can contribute to dealing with the challenges we face. Specifically, it can contribute to: (1) increasing the integration of renewable energy and creating a level playing field for all producers; (2) boosting cross border trade and to the creation of a more flexible and integrated system; and (3) guaranteeing our security of supply at an affordable price.

### **Action**

- So we agreed on the analysis. But what needs to happen to reach these common goals? We have discussed the key elements of our future work today:

- First, the importance of complete implementation of existing EU legislation for the electricity market.

- Second, an improved functioning of short-term markets that will bring the right price signals to participants in the electricity market.

- Furthermore it is important to improve coordination between member states on the design of subsidy schemes for renewables.

- Also, we have seen that security of supply does not stop at the border. While member states remain responsible for their security of supply, practical cooperation in designing and operating our markets will, improve security of supply in the EU and in individual member states. For example cooperation in the area of generation adequacy assessments and cooperation between TSOs to develop a common approach in times of scarcity.

- And last but not least, as the panel debate made clear today, demand side response can be an important tool to create flexibility. A more active participation of consumers is required in order to create



more flexibility in our electricity market. That means that consumers must have access to more variable tariffs and that we have to create opportunities for new players in the market.



- To conclude, we as member states were content to hear from Commissioner Cañete that the Commission is ambitious in its plans. I also think we gave the Commissioner valuable input today that hopefully matches his ambitions. And we are very much looking forward to the Commission's proposals later this year.

