



Energy

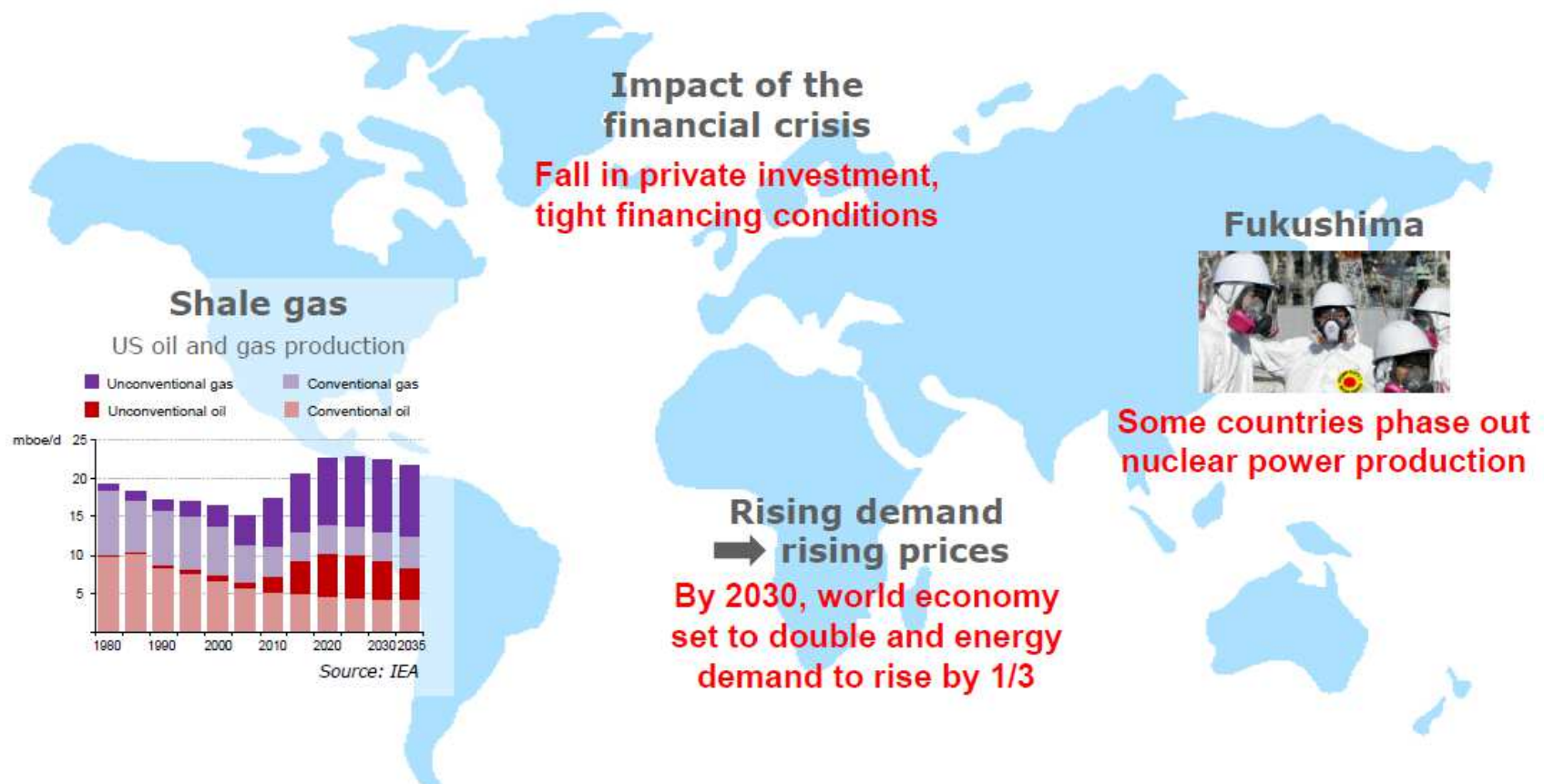
# Energy priorities for Europe

Kurt Glaeser  
Directorate-General for Energy  
European Commission



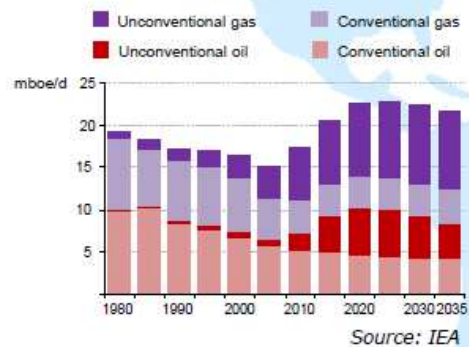
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# New realities in the global energy market



## Shale gas

US oil and gas production

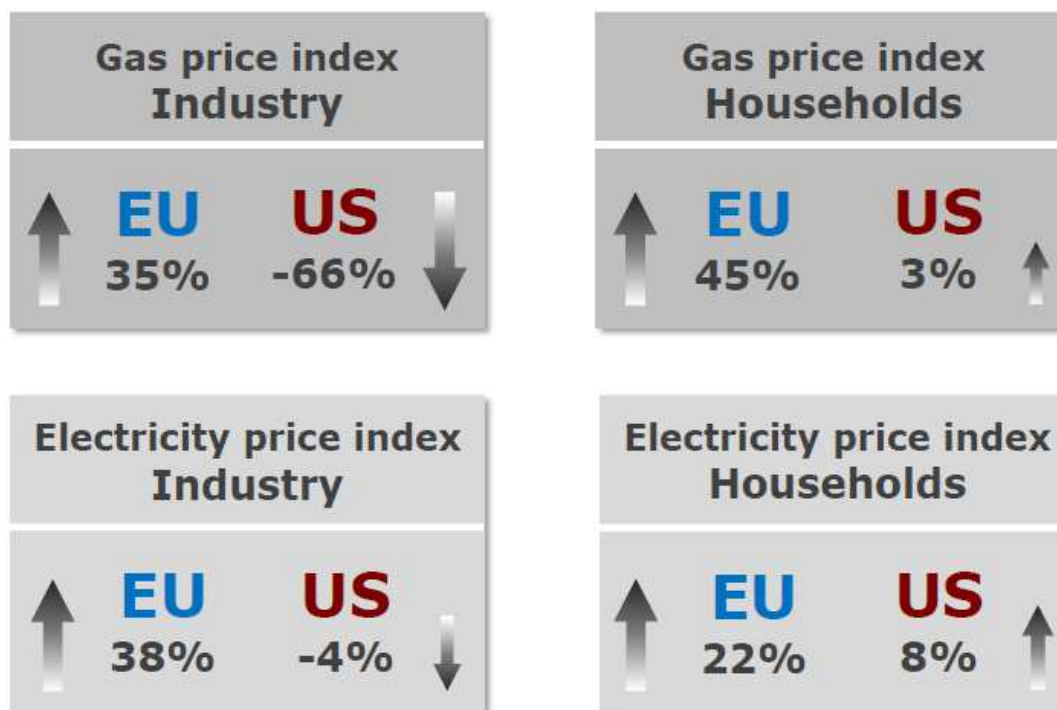




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## Prices affect competitiveness

### Trends in energy price indexes 2005-2012



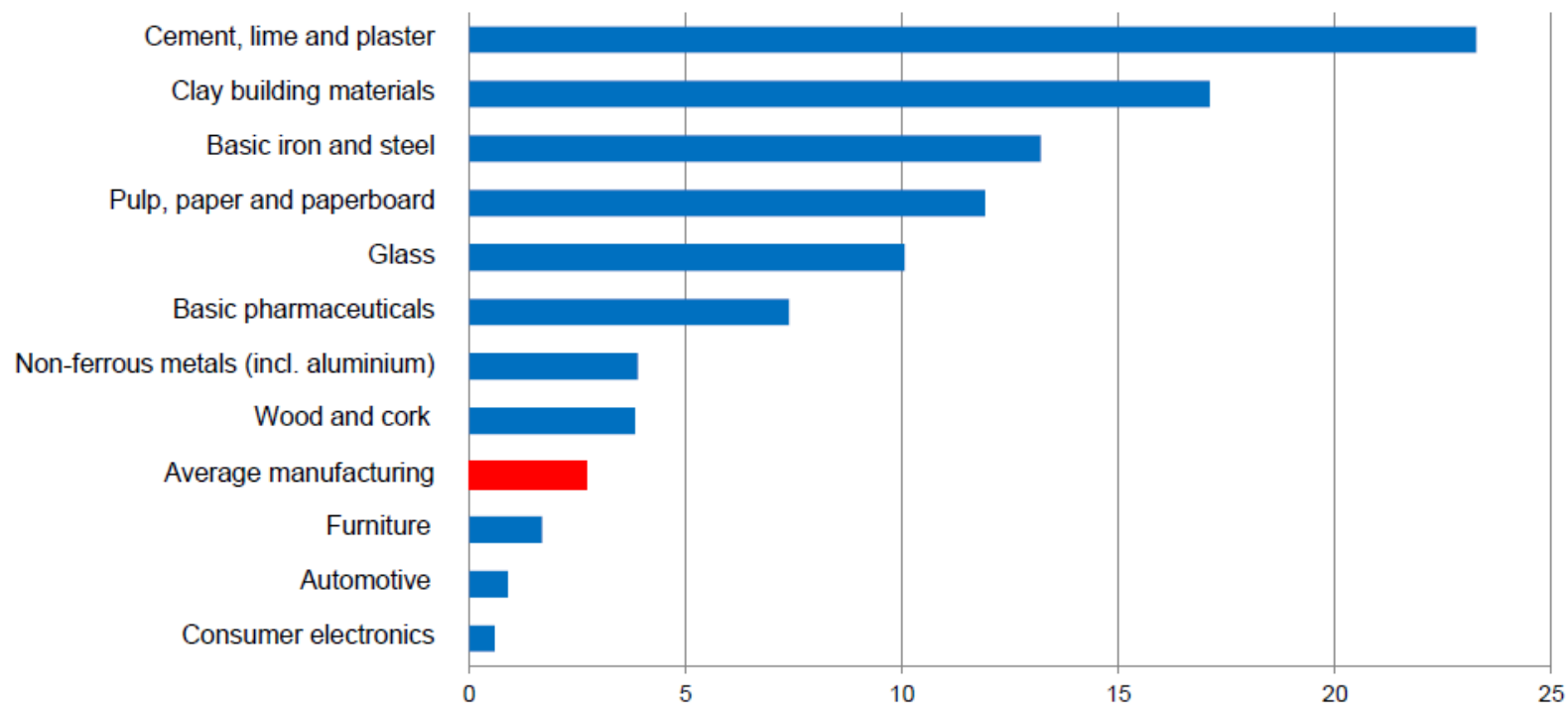
Source: IEA



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# Energy-intensive industries are most exposed

## Share of energy in % of production costs – selected sectors in Germany (2010)



% of total production costs

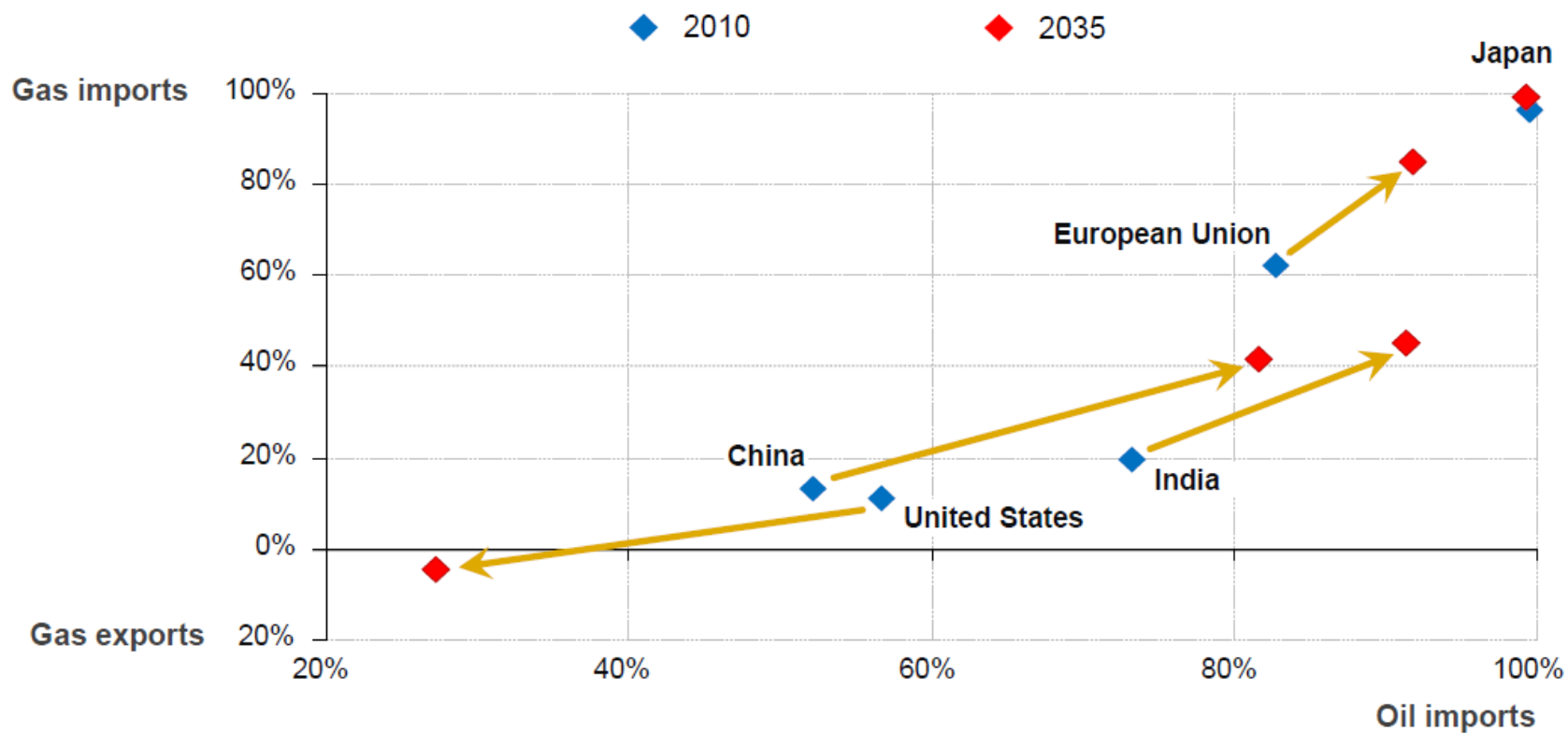
Source: European Commission



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# Europe's dependence is set to increase

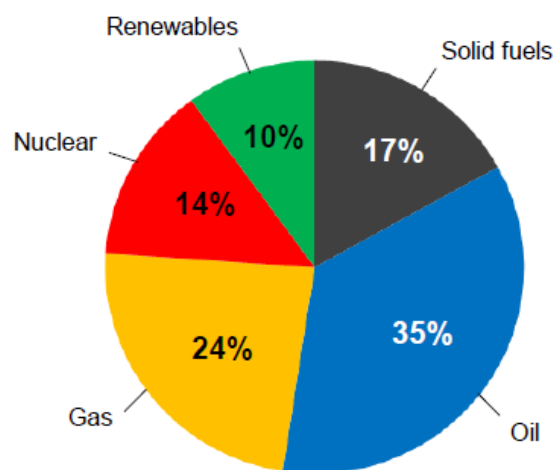
## Net oil and gas import dependence by region



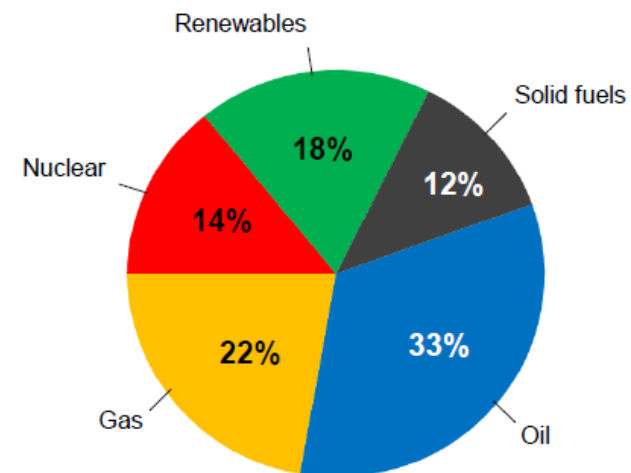
Source: IEA

## Our energy mix will evolve

**EU gross inland consumption  
2011**

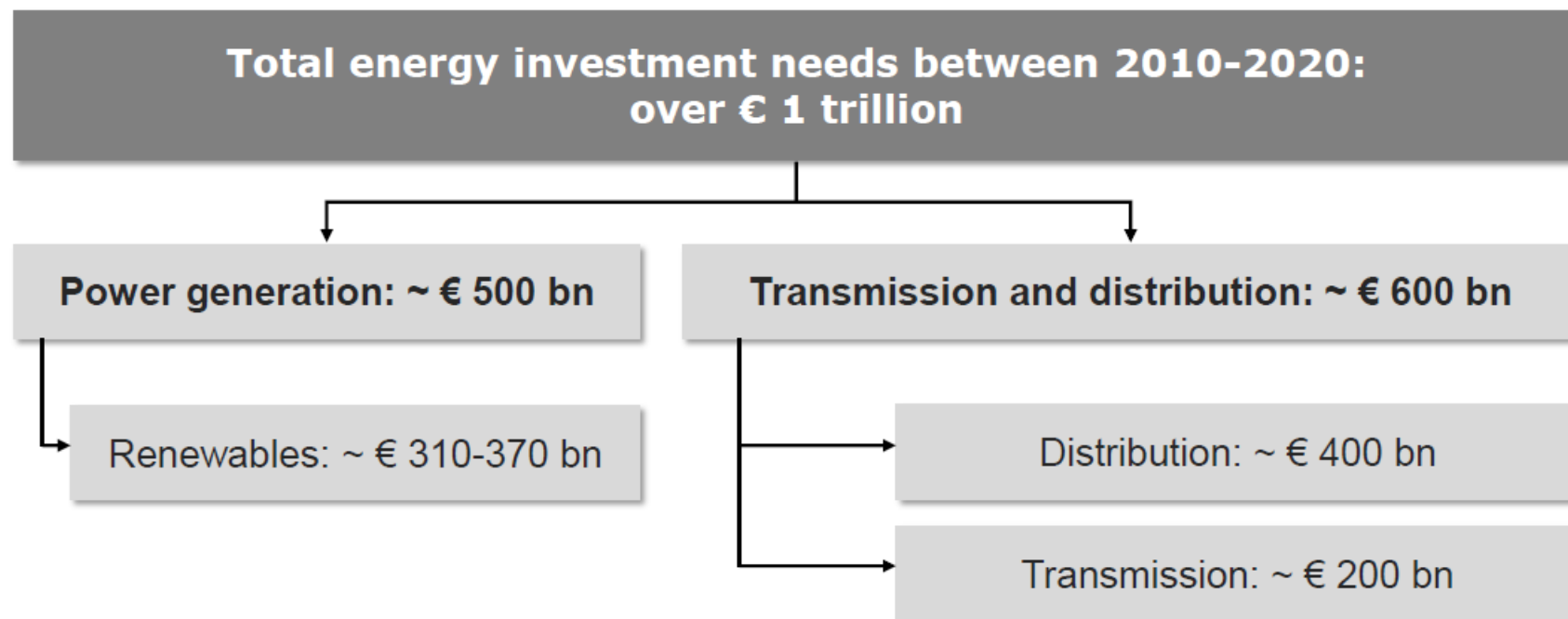


**EU gross inland consumption  
2030 (scenario)**



*Source: European Commission*

## Massive investments are required

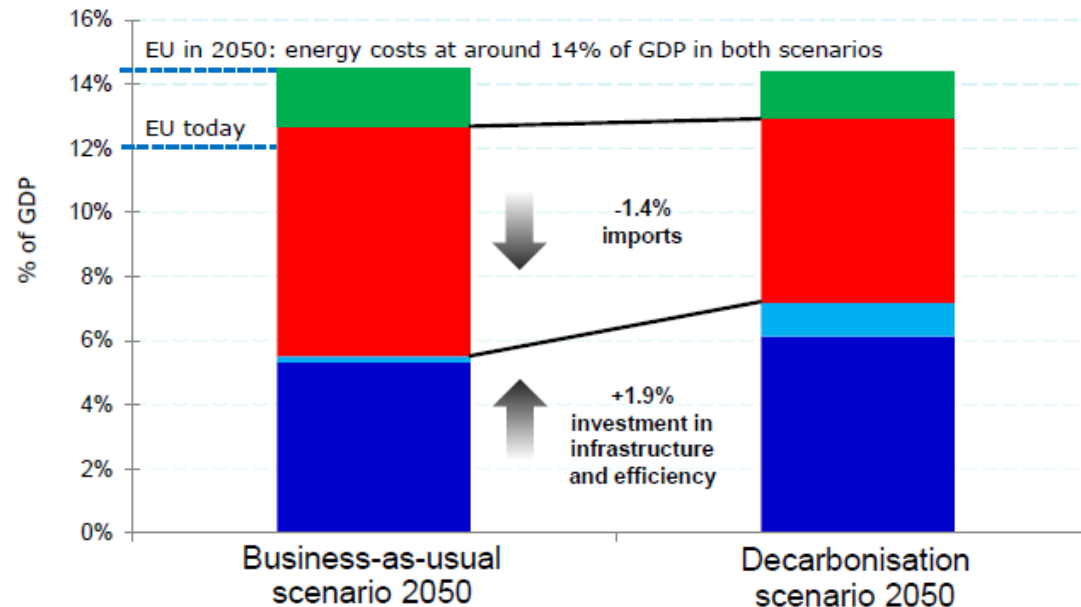


Source: European Commission

# Will there ever be cheap energy for Europe?

**Energy costs to rise in all scenarios but Europe will benefit most from decarbonisation**  
(in % of GDP, annually until 2050)

- Fuel imports
- Other energy purchase (domestic)
- Investment in infrastructure
- Investment in energy efficiency



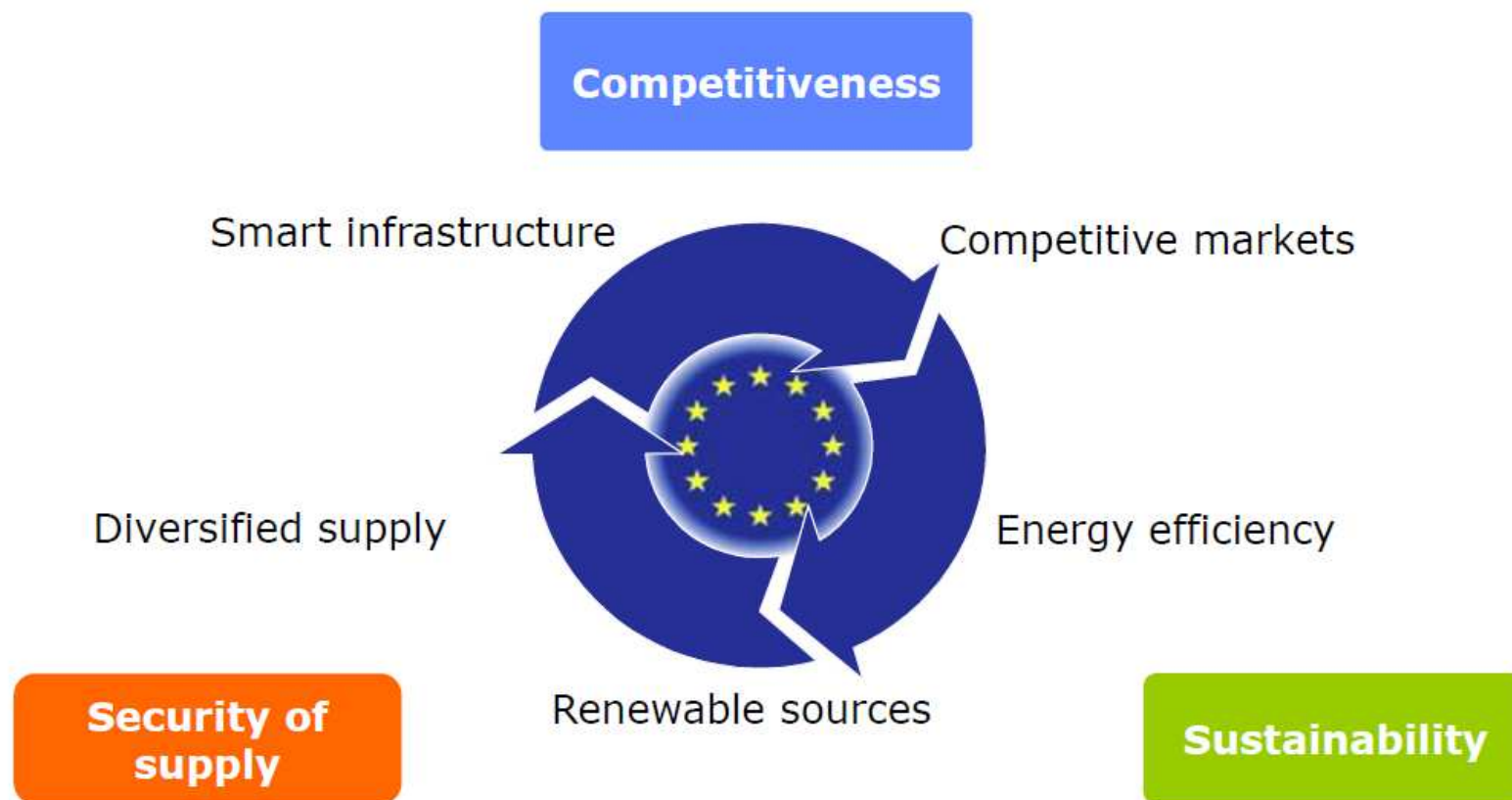
Source: European Commission





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## A "no regrets" scenario for Europe



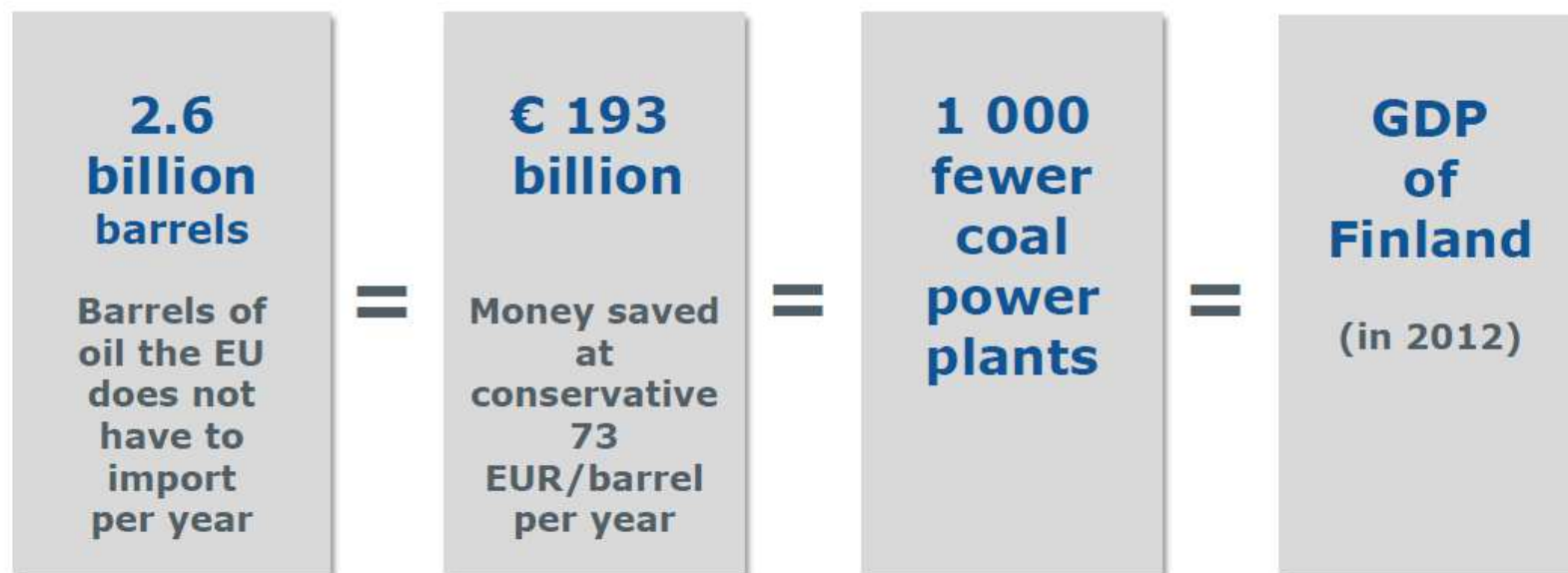
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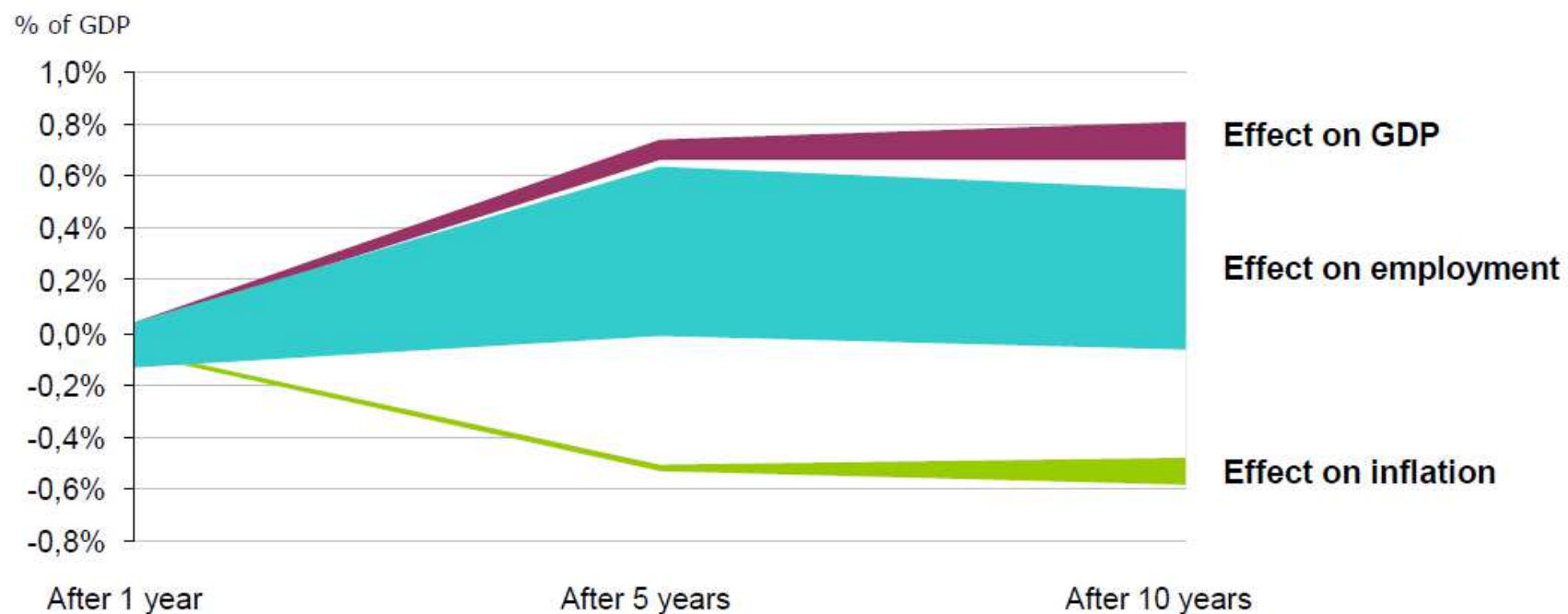
## Priority 1. Boosting energy efficiency

### Benefits of EU energy savings target of 20% by 2020



## Priority 2. Completing the internal energy market

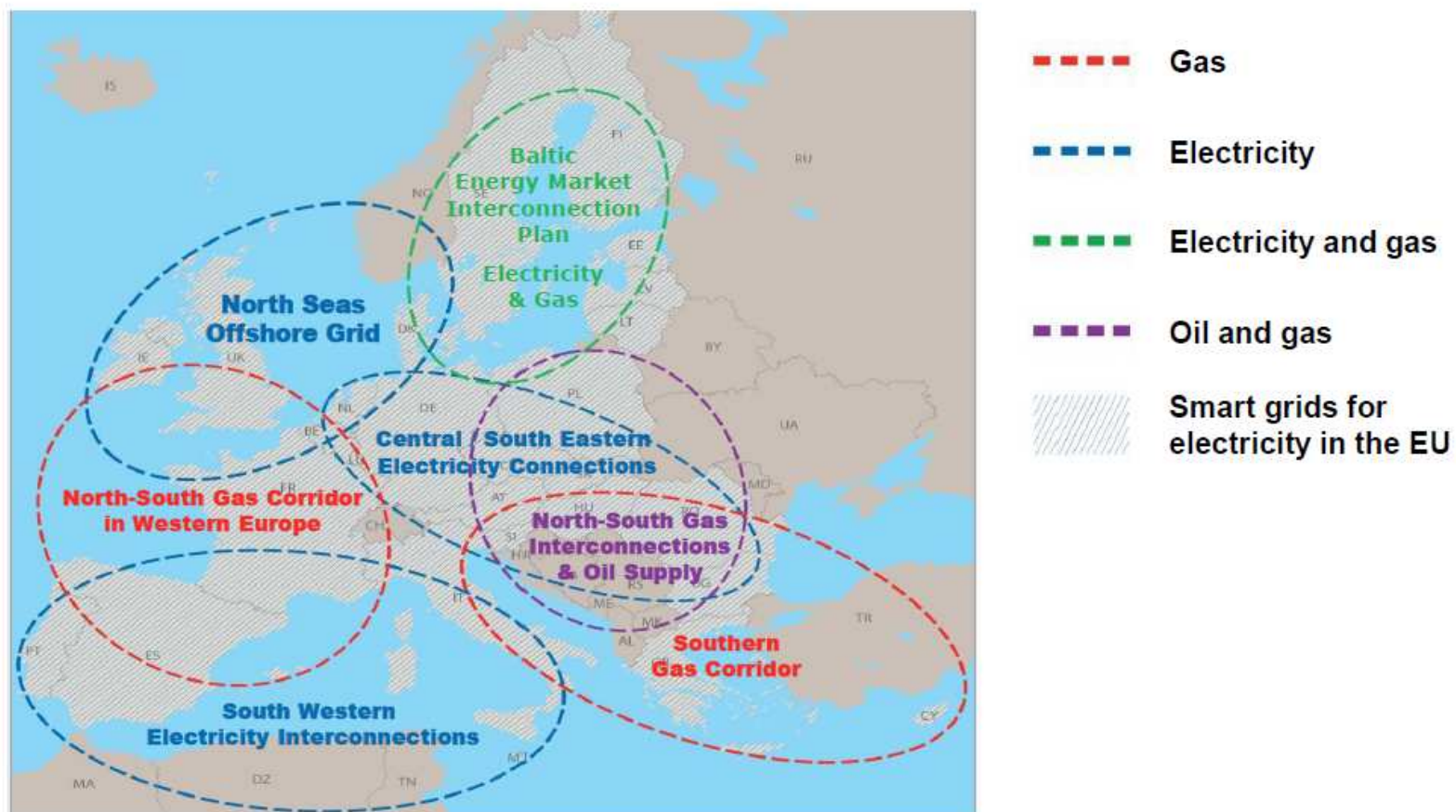
### Estimated effects of opening gas & electricity markets (in % of GDP - ranges)





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## Priority 3. Smarter infrastructure

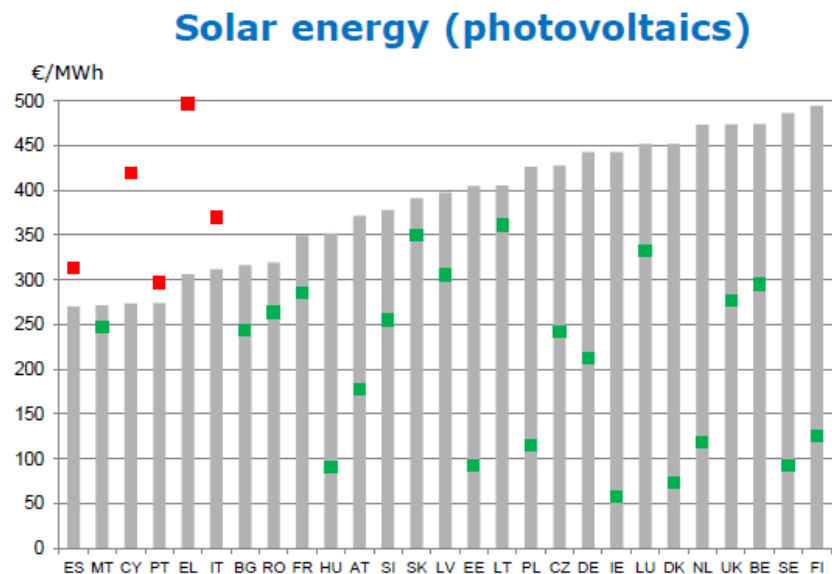
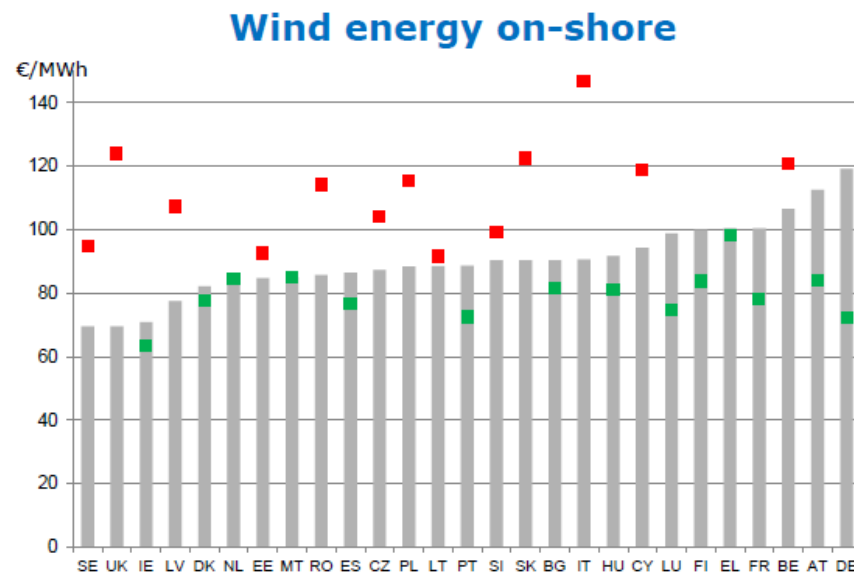


Source: European Commission

# Priority 4. Cost-effective use of renewable sources

## Production costs versus subsidies for renewables (averages, in €/MWh, latest year available)

■ Production costs      ■ Subsidies over production costs      ■ Subsidies below production costs






Source: Fraunhofer


## Priority 5. The external dimension

### The example of the Southern Corridor

#### Corridor opening options (2018 - Shah Deniz II)

-  Nabuccco-West
-  Trans-Adriatic Pipeline
-  Trans-Anatolian Pipeline & South-Caucasus Pipeline

#### Corridor enlargement

-  Extension of transport routes & new transport routes

