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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: The new Commission's energy policy priorities
- Exchange of views

The President-elect of the European Commission, Ms Ursula von der Leyen in her letter to the Commissioner-designate for Energy, Ms Kadri Simson has laid out priorities for the energy sector in next 5 years. These are inter alia the energy efficiency and energy efficiency first principle, renewable energy, deployment of clean energy, scaling up investments in clean energy, regional cooperation, LNG, energy taxation, the just transition fund and energy poverty. The mission statement from the said letter is contained in the Annex to this note.

The Ministers are invited to discuss the new Commission's energy policy priorities together with the Commissioner-designate Simson.

Your mission

I would like to entrust you with the role of Commissioner for Energy.

It is of paramount importance that Europeans have access to affordable, secure, reliable and clean energy. Regional interconnectivity, a better-functioning market for energy and research and innovation are key to achieving these aims.

To become the world's first climate-neutral continent, Europe must reduce emissions further and faster, and by at least 50% for 2030. Given energy production and use accounts for 75% of the EU's emissions, energy will have a central role to play in the European Green Deal.

Safe, secure and sustainable energy

Drawing on the success of the Energy Union, you will focus on further developing an integrated, interconnected and properly functioning European energy market. This will help keep prices down for consumers, help increase the use of clean energy and make energy supply more reliable and secure.

- I want you to focus on the rapid implementation of **energy-efficiency** and **renewable-energy** legislation. In this spirit, you should work closely with the Member States to set out their National Energy and Climate Plans. Given the increased ambition of the European Green Deal, you should assess the need to review legislation.
- You should ensure Europe follows the **energy-efficiency-first principle** across the board. As part of this, you should look at how Europe can further improve the energy performance of buildings and speed up renovation rates.
- To **speed up the deployment of clean energy** across the economy, you should promote a power system largely based on renewables, with increased interconnectivity and improved energy storage. You should look at how to facilitate the smart integration of the electricity, heating, transport and industry sectors.

- You should help set the right signals and financial incentives to **scale up investment in clean energy**, notably through the new Sustainable Europe Investment Plan. We must also invest in the missing infrastructure in our energy system. This should support Europe in meeting its electricity interconnection target and developing cross-border cooperation on renewable-energy installations and networks.
- You should support all **regional cooperation** efforts towards better integrated markets.
- Gas will have a role to play in the transition towards a carbon-neutral economy, notably through carbon capture and storage. You will assess how sources of supply can be diversified at competitive prices, in particular by making full use of the potential of affordable **liquefied natural gas**.
- You should contribute to the design of the new Carbon Border Tax, as well as the review of the **Energy Taxation Directive** to ensure that it is consistent with our climate-neutral commitments.
- The EU is the world's largest energy importer, yet roughly 85% of our imports are currently paid in dollars. As part of wider efforts to increase the international role of the euro, I want you to look at ways to sharply increase the **use of the euro in energy markets**.
- You should focus on further **enhancing nuclear safety and safeguards** across Europe and continue the ongoing nuclear decommissioning.
- We should make full use of the clauses in the Treaties that allow proposals on energy to be adopted by co-decision and qualified majority voting.

Empowering people and regions

People and regions will help drive the transition to a cleaner and more efficient energy system. At the same time, we must support those most affected and most exposed by the transformations, ensuring that we leave no one behind.

- I want you to focus on putting **consumers at the heart of our energy system**, notably through the full implementation of the revised electricity market design.
- You should seek to empower citizens and cooperatives to play an increased role in the take-up of renewables through **self-consumption**.
- You should contribute to the design and implementation of the new **Just Transition Fund**, notably by making sure it provides targeted support to industrial, coal and energy intensive regions, as well as energy islands.
- Over 50 million European households cannot afford to properly heat their homes. You should make use of the **Energy Poverty Observatory** to help Member States identify areas needing the most support.

As a rule, you will work under the guidance of the Executive Vice-President for the European Green Deal. The Directorate-General for Energy will support you in your work.