

## BBC News

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### **The European Commission will say on Wednesday that climate change is the biggest challenge facing the world, and the EU's top international priority.**

It will publish a number of policy papers calling for major reductions in the EU's greenhouse gas emissions in coming decades, and emphasising the importance of nuclear power, clean coal technology, renewable energy, biofuels and increased energy efficiency.



Plans to further open Europe's energy market will also be unveiled. This is expected to include measures to loosen the control that energy producers have over transmission networks, in some countries.

The EU wants half its energy to be from low-carbon sources by 2026

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### **How dangerous does the European Commission think climate change is?**

A paper to be published on Wednesday reportedly predicts serious consequences for human health, and major economic costs arising from drought, floods, rising sea levels, acidification of the sea and reduced soil fertility in southern Europe.

It talks about tens of thousands of extra deaths, by the second half of this century, and expenditure of tens of billions of euros on essential coastal and flood defences.

#### **Guide to climate change**

### **What action does it propose?**

It suggests the EU should drastically cut its emission of greenhouse gases, and try to persuade other countries to follow suit.

It is expected to say the EU should cut the amount of carbon dioxide (CO<sub>2</sub>) it emits as a result of energy use, by 50% by 2050. It is also likely to suggest that two other greenhouse gases, methane and nitrous oxide, should be brought into the EU's carbon trading system.

The commission has already put forward an action plan on energy efficiency to save the EU 20% of the energy it would otherwise be using by 2020.

#### **EU sets 'ambitious' energy goals**

### **Does the commission suggest reducing dependence on fossil fuels?**

Energy Commissioner Andris Piebalgs said in September that by 2050 the EU would need to "source the clear majority of its energy use from carbon-free sources".

The EU is already aiming to produce at least 12% of electricity from renewable sources by 2010. It is now expected to say that it wants to raise that figure to 20% or more in the longer term.

The European Commission also argues that reducing nuclear power will make it hard to meet CO2 reduction targets, though it recognises that some countries object to nuclear power on principle.



A Russian oil supply problem is the latest of Mr Piebalgs' worries

Biofuels are expected to be encouraged as the car fuel of the future.

However, the commission reportedly says it would not be in Europe's interests to stop burning coal, because this would increase dependence on imported energy (which is likely to account for two-thirds of the total by 2030 on current trends). It therefore calls for the use of clean coal technology and the capture and storage of CO2 from coal-fired plants.

#### **How clean coal technology works**

#### **What are the other main elements of the EU's energy strategy?**

The three buzzwords are sustainability, competitiveness and security.

Climate change falls under the "sustainability" heading.

Under "competitiveness" come policies to ensure that Europe's economy remains competitive despite the extra costs of moving over, even partially, to low-carbon energy. The top priorities are to further liberalise Europe's internal energy market - in order to bring down prices - and to boost research on low-carbon technologies.

Under "security", the commission talks about reducing dependence on imported hydrocarbons, but also diversifying sources of energy, building infrastructure such as new liquefied natural gas terminals, and improving Europe's capacity to cope with disruptions in supply.

#### **Q&A: EU carbon trading scheme**

#### **Hasn't the EU spent 10 years trying to open up energy markets?**

Yes, but results have been disappointing. One paper to be published on 10 January is reported to state that "meaningful competition does not exist in many member states".

The commission would now like to stop energy producers controlling the energy distribution system, which still occurs in some countries. Ideally, it would like to forcibly "unbundle" ownership of production and distribution. An alternative would be to strengthen the role of national regulators, or (without insisting on a change of ownership) to create independent transmission system operators.

Competition Commissioner Neelie Kroes will also announce the result of an inquiry into the energy sector and could use her existing powers to insist on the break-up of any company abusing its market position.

## **Since when has the EU taken such a big interest in energy?**

The idea of a common energy policy was approved at a summit at Hampton Court, in London, in October 2005.

A Green Paper outlining a European energy strategy was published in March 2006. It called for an annual Strategic Energy Review, which is one of the documents that will be published this week.

The Green Paper also calls for:

- a new long-term pact with Russia on energy supplies
- new infrastructure, such as terminals for liquefied natural gas and new pipelines from the Caspian region and North Africa
- new legislation on oil and gas stocks to ensure Europe has an emergency gas stockpile
- a mechanism to ensure a rapid and co-ordinated response to supply emergencies
- an integrated European electricity grid
- an action plan to help the EU save 20% of the energy it would otherwise use by 2020
- efforts to make Europe a world leader in low carbon technologies
- a new energy regulator to help complete the EU's internal energy market

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