

LETTERS TO THE EDITOR: A checklist for improving Europe's energy governance

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By Loyola de Palacio

From Mrs Loyola de Palacio and others.

Sir, Most Europeans are worried about widespread energy price increases, limited yet frightening problems with natural gas supply and growing evidence linking energy consumption with climate change. At today's summit, European Union heads of state and government will discuss a new energy strategy for Europe. This discussion will be based on a green paper recently issued by the European Commission at the request of the European Council. We welcome these initiatives and hope Europeans will be reassured about a future of secure, clean and affordable energy. "Better energy", not just "more energy", is required. Identifying a meaningful common denominator among 25 energy policies will reveal differences dictated by geography, geology and history. Establishing a common energy policy - or at least a new, more coherent energy strategy for Europe - will take time. However, we believe member states could easily agree on a set of simple measures aimed at improving governance of the European energy market. Here are 10 suggestions to enhance the performance of the internal energy market without delay. 1* Apply, implement and enforce all relevant directives and regulations. 2* Remove all political and administrative barriers that prevent or delay construction of much-needed interconnectors and liquefied natural gas terminals, promoting investment in such infrastructures. 3* Facilitate the physical and operational integration of national grids into single European electricity and natural gas networks. 4* Prevent the growth and reduce the market power of companies that have a dominant position within the borders of every distribution network. 5* Enable EU and non-EU companies to compete in all wholesale and retail energy markets while separating the network companies from the interests of all users. 6* Do not interfere in mergers and acquisitions beyond the strict application of competition law. 7* Facilitate customers' choice of supplier across all network and political borders. 8* Enable the active participation of consumers in energy markets and promote new market mechanisms for energy services aimed at improving energy efficiency. 9* Harmonise the competences of national regulatory authorities, reinforce their independence and give their European body regulatory implementing powers on cross-border issues at EU level. 10* Internalise environmental costs into energy prices in the most transparent way, using the electricity and gas markets as much as possible and harmonising all relevant instruments (emissions trading, green certificates, taxes, subsidies and so on), according to European law.

Over the past 15 years, the internal energy market has been built step by step. The "European energy model" should be a reference all over the world, founded on two pillars: a single market for 25 countries and a common energy policy for the EU.

Better energy means better Europe in the 21st century, better for our competitiveness, our consumers and industries and for sustainable progress. ✉ Loyola de Palacio, Former EC vice-president and energy commissioner ✉ Antonio Cardoso e Cunha, Former EU energy commissioner ✉ Christos Papoutsis, Former EU energy commissioner ✉ Ignacio Perez-Arriaga, Former Spanish energy regulator ✉ Jacques de Jong, Former Dutch energy regulator ✉ Jorge Vasconcelos, Former chairman, Council of European Energy Regulators ✉ Pantelis Capros, Former Greek energy regulator ✉ Peter Kaderjak, Former Hungarian energy regulator ✉ Pippo Ranci, Former Italian energy regulator ✉ Vicente Lopez-Ibor, Former Spanish energy regulator.