The Energy Winter Package, the energy efficiency policy, and the new governance of the energy market

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Abstract

The so called "*Winter Package*" published at the end of November 2016 is the last step in the ongoing evolution in the EU energy policy and market regulation. It includes some proposals to amend the Directive 27 of 2012 on the energy efficiency policy.
Nonetheless the recent document which emphasises the value and the relevant role of the energy efficiency is the Energy Union Package (2015). In this context the energy efficiency is defined as an "energy autonomous source" and a key driver of energy security as well.
By means of the measures of the Winter Package the European Commission tries to "lead" the transition towards a clean energy era and launches the principle "*Energy Efficiency first*".
All in all energy efficiency policies are embodied in a string of measures producing important consequences on energy regulation and governance. Hence the WP promotes the adoption of a regulation on "*Governance of the Energy Union*", a sort of 'tool box' aimed at increasing the coherence of different policies and redefining the relationships between the governmental levels.
The paper will try to assess whether and how the scheme of the new governance and especially the defined relationships between Brussels and Member States can succeed and achieve the most relevant objectives of the EU energy efficiency policy.

Key words: energy regulation; energy efficiency; governance; Winter Package; Energy Union

1.*Setting the scene: the "Winter package" and the "Governance of the Energy Union"*

"Doing more with less" is the iconic title of the EU Commission's Green Paper on the energy efficiency of 2005 which recalled the energy efficiency issues after the first steps in the 90[1]. The 2006 directive was the further step in the evolution of this legislation that was permanently shaped in the directive 27/2012 only partially modified by the so called *Winter Package* (WP) issued at the end of November 2016.

However the document where the value and the relevance of energy efficiency is completely defined is the *Energy Union Package* published in 2015[2]. In this context energy efficiency is one of the five strictly interlinked dimensions targeted to achieve goals of highly impact such as European energy market completely integrated and decarbonisation of the economy.

In fact energy efficiency is declared as "an energy source in its own right", and the value of saved energy appears an important element of the energy mix of each Member State (MS) or of the Union on the whole. Hence it is a key driver of energy security, in other words an instrument of geo-politic relevance to reduce the EU dependency.

Moreover energy efficiency as a priority goal highlights the at least partial transition in the energy management from the side of offer, following a traditional approach, to the side of demand. Succeeding in this change depends on the ability to foster new behaviours and increase the consumers' awareness thanks to both a more widespread access to smart technologies and stronger citizens' involvement in the regional and/or local initiatives.

The EU Commission believes the WP is the engine to lead the transition towards clean energy ("*Clean energy for all Europeans*") and launches the key word "*Energy Efficiency first*". Somehow it is worth recalling the transition towards clean energy and increasing decarbonisation can be achieved through cultural, behavioural, and technological changes[3].

One of the cutting-edge novelties is that the interventions for energy efficiency are embedded in a wider context aimed at reshuffling the energy sector completely.

Traditionally indeed the legislative package climate – energy, set up according to an incremental approach from 2007 onward, did not include energy efficiency. This is in particular witnessed by the different nature, binding or not binding, of the European and national targets and the different relations between EU Commission and MS: as an example, on the one side we can refer to the relations in renewable energy as a sort of 'supervised

decentralization', on the other to Emission Trading System as a model 'top-down harmonization' of the market of the emissions.

However the energy efficiency policies are threaded onto a string of measures with relevant spill-overs on the national orders and on the governance and regulation as well.

Over time legislations issued at different times and according to uneven perspectives have caused a sort of normative 'labyrinth' characterized by "certain redundancy, incoherence, and overlaps and lacking integration between energy and climate areas".

Consequently the *Winter Package* recommends adopting a regulation on the "*Governance of the Energy Union*" envisaged as a 'toolbox' that "will align frequency and timing of obligations, significantly enhance transparency and cooperation". All in all the regulation needs to increase the coherence of the different policies and to harmonize the relations between the governmental levels[4].

On these premises, firstly, the paper will illustrate the relevance of energy efficiency in the framework of the WP and its role as key driver of the transition to the era of clean energy. Moreover energy efficiency is one of the five dimensions focused in the Energy Union strategy[5]. These objectives can only be achieved through a set of coherent and coordinated actions at EU and national level. Designing such a broad set of actions requires the Energy Union to establish robust governance. Hence, secondly, it is worth considering the new system of procedural relationships between the EU Commission, the Parliament and MS. Thirdly, achieving the goals outlined in the Energy Union requires, along with an ambitious climate policy, a renewed design of the energy market. In this perspective, the updating of the rules issued in 2009 in the Third Energy Package is the base of further integration and harmonization within the Union. Nevertheless in addition the EU has to enhance relationships with the countries surrounding its borders and especially has to increase coordination with the Energy Community. Fourthly, we need to consider the role that various stakeholders can

play in this market as the climate and energy policies can only succeed if final users are able to change their mind and modify their behaviours. All in all, the paper will try to assess whether and how the scheme of the new governance can succeed and achieve the ambitious objectives of the EU energy and climate policy.

2. *How energy efficiency can foster the transition towards clean energy*

Proposals of the WP on energy efficiency matters are referred to as priority to update the document "*A policy framework for climate and energy in the period from 2020 to 2030*"[6]. Actually, as affirmed in the conclusion of the European Council of 2014, the non-binding target of 27% should be revised by 2020 having in mind a new 30% target. The new framework for 2030 envisages a 30% binding EU target and non-binding national goals which are however adequate to reach the common target.

The extension of the programming time to 2030 is justified not only in the light of the EU institutions' commitment to comply with the international obligations set for that date and beyond, but also due to the need to align energy efficiency to all due dates of the other climate and energy policies.

In addition, and maybe this is the main reason, the extension of the programming time enables the investors to trust regulatory stability and investment certainty in a long term perspective. This will positively impact on the expected time for investment return. Therefore the weight of small interventions should decrease significantly in favour of those characterised by higher rates of technological innovation and able to improve efficiency in many sectors, from vehicles to buildings, services or even products[7].

Although MS are not requested to set binding targets, nevertheless their indicative national energy efficiency contributions by 2030 must be assessed on the assumption that in the EU area primary energy consumption should be reduced by 23% and final energy consumption

should be reduced by 17% based on 2005 levels. As suggested by the Commission introducing the new EED, MS must ensure the extension of the present obligations beyond 2020, namely an increase of their energy savings by 1.5% per year. Implemented via dedicated obligations schemes and alternative measures, this is a key element of the EU energy efficiency framework (already set in the Directive 27/2012).

It is evident that the scheme respects the subsidiarity principle and allows MS to keep flexibility regarding how they currently implement the savings obligations according to their policy environment and market conditions.

On these premises the EU Commission believed that only some amendments to EED would be necessary. In fact, as the deadline for the transposition of the Dir. 27/2012 was set by June 2014, such a short elapsed time made it impossible to assess the effective impact of the measures and to revise the directive completely. Briefly the amendments are directed to implement some specific objectives such as achieving the targets of the 2030 framework, simplifying some provisions in order to make national implementation easier, and enhancing social dimension and consumers' relevance[8].

3. *Reshuffling relationships between European Union and Member States in the light of the Governance of the Energy Union*

In the present framework MS must notify their indicative objective to the Commission (article 24,1). Moreover for the first time by 30 April 2014 and later every three years MS are obliged to submit the 'National Energy Efficiency Action Plan' (art. 24,2). Afterwards the EU Commission will assess the improvements on energy efficiency matters and send its assessment to the EU Parliament and to the Council and, on the base of this report, may issue recommendations to MS (article 24,3).

Firstly, the new draft of the EED (articles 7, 7a, and 7b) establishes MS must respect the obligation to ensure saving extension in energy end-use beyond 2020: new savings of 1.5% of annual energy sales to final customers by volume (article 7,1 (b)). Such an objective must mainly be achieved by MS thanks to the energy policy measures put in place after the end of the first phase, namely after 2020.

Secondly, as affirmed in Dir. 27, derogations to the general principle "taken together must amount to no more than 25% of the amount of energy savings" (article 7,3). In addition the foreseen annual energy saving must be achieved both through obligation schemes involving energy distributors and retailers prevailingly and also alternative measures.

Lastly, MS are requested to put in place measurement and control systems of the efficiency improvements reached by entrusted and/or participating parties (articles 7a,4 e 7b,3).

The framework where the interactions between EU and MS are performed in order to define, monitor and assess the expected measures is designed in the proposal of the regulation on the "*Governance of the Energy Union*". As suggested above, one of the main objectives of the proposal is to reduce criticism in the climate and energy policies resulting in particular from lack of coherence and integration among normative rules and "to bring together the existing scattered planning and reporting obligations from the main pieces of EU legislation".

Focusing on the "Integrated national energy and climate plan"[9] that at the beginning MS shall notify the Commission by the 1st January 2019 and later every ten years, the proposal is addressed to put in place a systematic combination of the various policies towards decarbonisation. As for energy efficiency MS define the national indicative target and the specific targets which have to be achieved through the obligation schemes, the renewal of the private and public building stock, the improvement in efficiency of the buildings of the central and local administration and in other sectors such as heating, cooling and transport.

This document outlines the relationships between Brussels and the periphery: every two years MS report to the EU Commission on the implementation of the Plan and in turn the Commission assesses the achievement of the objectives. As for energy efficiency, in case of inadequate improvements towards meeting the target, the Commission can take measures at Union level in addition to those set out in the Directive. Moreover the Commission can issue "recommendations" for MS on the national plans as appropriate (articles 27 - 28).

Drawing upon a non-binding act such as recommendation challenges the potential on-going adjustment of national measures to the collective targets at EU level. However the proposal seems to reveal something more when it states the MS "shall take utmost account of the recommendation in a spirit of solidarity between MS and the Union and between MS", and in the following year it shall set out "how it has implemented or intends to implement" the recommendation. In case of lack of compliance, appropriate justifications must be provided.

In particular these last words recall the expression of EU law to feature the relation in general established between the Commission and MS regarding soft law or soft regulation.

Undoubtedly the provisions of the EU Commission's proposal are not conclusive. But what we might suggest is that the Commission tried to enhance its own role though the subsidiarity principle has been reaffirmed in all documents of the WP and MS have been provided with "indicative" national targets.

Therefore in the steady search of a more certain allocation of competences between the two levels required by the 'overlapping competence' in energy (article 194 TEUF), the EU Commission would have kept recommendation as a 'steering' instrument vis-à-vis MS as stated in the Dir. 27. In this way it would have modified the meaning of this totally informal act assimilating implicitly recommendation to an act of soft regulation that is not binding and which works on the base of the "play or explain" principle.

All in all, if the targets set in the Directive are not achieved because of insufficient interventions put in place at national level, the Commission could try to make its own targets effective by constraining MS to explain their divergent decision seriously.

4. Rethinking the design of the energy market

"Both the European Council and the European Parliament have repeatedly stressed that a well-functioning integrated energy market is the best tool to guarantee affordable energy prices, secure energy supplies and to allow for the integration and development of larger volumes of electricity produced from renewable sources in a cost efficient manner"[10].

As well known, the current electricity market design is based on the rules of the "Third Energy Package" adopted in 2009 that fundamentally represented the last step of the liberalisation process (the right of access for third parties to electricity grids, free choice of suppliers for consumers, unbundling rules, the removal of barriers to cross-border trade, market supervision by national independent regulators, the cooperation of grid operators in the European Network of Transmission System Operators - ENTSO) and established the Agency for the Cooperation of Energy Regulators (ACER).

Briefly it is worth recalling that the Agency was designed as a "networked agency" encompassing the national regulators' network. And the system was built around the Agency on a design of cooperation and revealed a structure that could be defined as 'multi-level' regarding the allocation of powers and responsibilities among Commission, ACER, MS and national regulators[11].

Over time new developments have led to fundamental changes in European energy markets. The share of electricity generated from renewable energy sources (RES) has increased steeply. This shift towards RES will carry on as it is a key condition to fulfil the Union's

obligations under the Paris Agreement on climate. The characteristics of RES – more variable, less predictable and decentralised than traditional generation – requires an adaptation of market and grid operation rules to the more flexible nature of the market.

In the document that launched the public consultation on a new energy market design[12] the EU Commission focused on the evolution towards a decentralised generation and the increasing amount of actors on the market. In this perspective, as the security of energy supply remains a milestone in the energy policies and consequently most countries have established or are planning to establish generation capacity mechanisms, the Commission points out that the goal of security can be achieved thanks to measures more compliant with the market such as, among others, market coupling, promoting regional cooperation, improving cross-border flows, and the demand side (demand response).

Moreover, as often repeated, the Commission affirmed that "a fully-functioning internal energy market requires that Member States coordinate and cooperate with their neighbours when developing their energy policies". Regional cooperation should become an essential part of the governance of the Energy Union and a first step towards harmonisation in addition to strengthening energy security. There are interesting examples of regional cooperation established over time according to mechanisms based on a bottom – up model mainly aimed at gathering actors with common interests and open to collaboration rather than to comply with policies based on binding targets set at Union level (e.g. the North Pool or the Pentalateral Forum in order to promote cross-border exchanges between France, Germany, Luxembourg, Belgian and The Netherland or the Baltic Energy Market Interconnection Plan).

As often recalled, ensuring security of supply is not only a national obligation (see article 194, 2 TEUF), but a key pillar of the European energy policy. Therefore national security and stability often relies on flows from neighbouring countries. Energy security or instability

usually have a regional impact. Hence strengthening regional cooperation is a main objective of the renewed design of the energy market, in particular taking into consideration that the interrelations in the system are becoming essential also because of the increase in variable and decentralized generation.

Following some successful examples such as the mandatory TSO cooperation, mandatory cooperation should be expanded to other areas in the regulatory framework. Regional cooperation can be established within the European Network Transmission System Operator (ENTSO) also in order to programme regional investments and ensure interoperability, communication and monitoring of regional performance in areas not yet harmonised at Union level (see article 31, of the Reg. 714 (recast)). Moreover TSOs will create "regional operational centres" (ROC) as a complement to their specific activities at regional level (see, in particular, articles 32 -34).

As for the complete integration of the energy internal market promoted by the WP and its deep redesign of the sector, it also seems necessary to rethink the role and the position of the ACER. It is worth highlighting that the Energy Union document stated that ACER "has very limited decision-making rights, e.g. it can only take decisions at the request of the national regulators or if they fail to take a decision within a certain timeframe". And moreover that "EU-wide regulation of the single market should be strengthened, through a significant reinforcement of the powers and independence of ACER to carry out regulatory functions at the European level in order to enable it to effectively oversee the development of the internal energy market and the related market rules as well as to deal with all cross-border issues necessary to create a seamless internal market".

This option to foster the role of ACER and transform the Agency into something more similar to a 'European regulator' was later dismissed, on the one hand, following the divergent views of stakeholders (some of them notably MS and national regulators in favour of the status quo)

in the public consultation of October 2015, and, on the other, on the base of the impact assessment carried out on the legislative package which rejected any option of a stronger role. The recast ACER regulation[13] underlines that in the coming years the need for coordination of national regulatory actions will increase. In this perspective ACER must provide an integrated framework to avoid fragmented national interventions and to promote participation and cooperation of the national regulatory authorities.

Although the proposal affirms that the Agency's shape must be coherent with other decentralised Agencies in line with the Common Approach agreed between the European Parliament, the Council of the EU and the European Commission[14], at the same time it affirms that the structure should meet the specific characteristics of energy regulation, and in particular the role and the independence of national regulators. The main reason for such derogations seems to be that from its origin ACER has had a priority task of coordinating regulatory decisions of the independent national regulators. Hence the decision-making power would remain in the hands of the Board of regulators instead of in those of the management board as foreseen in the Common approach. The only innovation is that only a simple majority would be required in decision procedures (instead of a two-thirds majority).

Without going into depth about the new Agency's competences specially regarding regulatory issues with cross-border relevance and regulatory supervision of the Regional Operational centres, it is worth highlighting that ACER is confirmed as a relevant player, along with the Commission, the MS and national authorities, in the internal energy market. Nonetheless its role seems to be influenced by the need to balance between the Commission and the national regulators/Board of regulators.

5. Energy Union and Energy Community: integration within and outside the EU borders

As recalled in the previous paragraph, the Commission has often affirmed that energy security is an issue that must be approached focusing on a wider and stronger cooperation at regional and Union level and in particular on greater coherence in the external action.

As regards the ambitious project of Energy Union and its follow up in redesigning the energy market it is an essential goal to enhance and develop relationships with the countries surrounding the EU borders. Broadly speaking, the EU external policy is crucial to reinforce the legislative framework for the security of supply and to renew legislation related to reduction of emissions and energy efficiency and to achieve the freedom of free flows across borders.

The objective of securing energy in "wider Europe" in a stable, sustainable and competitive manner lies at the heart of the Treaty establishing the Energy Community (EnC), signed in October 2005[15]. By extending the internal energy market beyond the boundaries of the European Union, the EnC carries forward European integration in the crucial sector of energy. On the one side, making EnC rules and institutions more effective will bring concrete benefits to all its members, within and outside the EU. On the other, the major added value for the Contracting Parties is the provision of a toolbox for energy market reform coherent with EU-wide market designs and practices. Today, more than ever, the Contracting Parties should realise the importance of exploiting the full potential of the EnC framework to reform the energy sector and create a common energy market regulatory area together with the European Union.

'Exporting' the energy market rules beyond the EU borders has not succeeded completely taking into consideration the effective degree of implementation of the *acquis communautaire* in the energy field (liberalisation measures, directive on renewable energy or on energy efficiency). Nearly a decade after the Treaty several of the key expectations remain unfulfilled. The lack not only of enforcement mechanisms but also of mechanisms aimed at

coping with the various political and economic national conditions and supporting the transposition of rules are among the main explanations.

In October 2016, the Energy Community Ministerial Council decided to extend the Treaty for a period of 10 years, until 2026. On this occasion Ministers also launched a process of reform of the organization by establishing a High Level Reflection Group (HLRG) with the task of assessing the adequacy of the institutional structure and working methods to achieve the objectives of the EnC Treaty. The reform proposals are based on the assumption that the Contracting Parties face more "different challenges than most EU Member States. Thus, it can hardly be expected that "exporting" EU energy rules to the Contracting Parties would yield results comparable to those of the European Union".

The shared key words between the EnC and the first pillar of the Energy Union, security, solidarity, and trust, suggest that the EnC's role could and should be strengthened in the framework of the Energy Union policies. In this perspective, the EnC can be seen as a regional platform mainly addressed to triggering the energy market integration within the wide geographic area concerned.

The relevance of close cooperation between Member States and the EnC is underlined in the proposal for a recast of the directive on common rules for the internal market in electricity (recital 64) focusing on two of the objectives emphasized both in the Energy Union package and in the WP, namely further integration of electricity markets and security of supply.

Building a stronger partnership with its neighbours on the base of the external European policy is crucial to complete the internal energy market. As noted in the European Council conclusions on the Energy Union on 19th March 2015, the Council focused on some aspects and, inter alia, called for the accelerating of infrastructure projects for electricity and gas to ensure energy security and a well-functioning internal energy market; fully implementing and rigorously enforcing existing energy legislation; reinforcing the legislative framework for the

security of supply and renewing legislation related to the reduction of emissions, energy efficiency and renewables as well as developing a reliable and transparent governance system. The EU can not reach these objectives without adequately addressing the external dimension. The EU must build on the strength of its market, expanding links between the European energy area and neighbouring countries and creating a wider regulatory area beneficial for all those based on regulatory convergence.

In particular the EU launched a joint initiative with some Eastern European partner countries (Moldova, Ukraine, Belarus, Armenia, Georgia, and Azerbaijan) with the aim to create a favourable environment for territorial cooperation and to bring eastern European countries closer to the EU (see SWD(2014)99) through two parallel models of relationships: bilateral and multilateral[16].

6. Consumers' role for success in energy efficiency policies

Achieving good results in energy efficiency depends closely on the ability to modify behaviours and awareness of final users, in particular consumers. The new regulatory approach is moving the barycenter from offer to demand side as it recognizes an increasing value of consumers. They are becoming more and more relevant in the new market design also thanks to the introduction and installation of smart meters of second generation (2G) which allow not only to bill real energy consumption and to receive daily information on consumption but also to improve sellers' innovative offers.

From a regulatory point of view demand management is an essential instrument to improve energy efficiency since mechanisms addressed to reducing or reshuffling consumption impact not only on final consumption but also on the energy chain (from generation to local distribution) through better exploitation of power plants and networks. In this perspective also

the national regulators must be involved so that network regulation and tariffs promote energy efficiency improvements[17].

In the future such a new role for consumers can be further extended also by introducing "*demand side response*" contracts that make it possible to reduce demand at peak time in real time (from remote), helping ensure a more secure system during peaks in demand. Moreover demand side response is also included in the list of subjects which are able to participate in capacity market mechanisms. At the same time the proposal of EED revision strengthens and details obligations for suppliers and sellers to provide final customers with correct information on consumption and billing or let them have access it[18].

Technological innovation has played a relevant role in supporting the demand side, but it is worth recalling that for long time information towards consumers has been a leitmotif of the European institutions. In many areas they have directly put in place educational campaigns with the task to improve consumer awareness and extend the knowledge at the base of their behaviours or have requested MS to do it. Undoubtedly information based regulatory strategies have had and still have remarkable weigh in many sectors of the social or economic regulation. However the more recent experiences highlight that overcoming the 'myth' of information is now needed.

Considering this point it is highly interesting a quotation of Anthony Ogus who twenty years ago wrote that "disclosure doesn't produce advantages where the relevant information cannot be communicated in an easily assimilable form"[19].

It is evident that the way of communicating information can represent a barrier to an efficient use. Hence regulatory interventions can not be restricted to the obligation to disclose and inform. On the contrary information should be given through suitable communication instruments and should be easy to process with regard to the phrasing and the communication

procedures (smart disclosure). The quality of information represents a necessary element in order to make it available and useful for the addressee.

Consequently as for the issue of final consumer education pointed out in the Dir. 27, above all in the perspective of a better level of knowledge and of increased awareness the main goal is empowering the final consumer to make him an active subject on the market able to manage the energy demand efficiently. Consumer education is a highly costly regulatory project which is also uncertain in its result. Succeeding, even only partially, could efficiently balance savings in energy efficiency with the costs related to the introduction of smart metering systems.

7. Some concluding remarks

The starting point of this long path to the wide project of the WP was the intersection between energy and climate legislations and objectives. This resulted in a normative labyrinth arising not only from the different designs but also from the lack of a common governance mechanism.

The main goal of the proposal at stake is to reduce the administrative burdens in particular for MS and the Commission. In fact current planning and reporting requirements are scattered across a wide range of separate legislative provisions adopted at different times. This has often led to incoherence, overlaps and in general lack of integration between energy and climate areas.

The strong idea behind the WP and the project of Governance of the Energy Union is to bring the existing patchwork towards a unitary logic replacing different sectorial plans and reports with one comprehensive integrated plan and report in addition to update the date of target achievement from 2020 to 2030.

As for this new scheme of governance redesigning the relations between the Commission and MS it is quite clear that the Commission is trying to strengthen its position in the middle of the circle of MS or as the head of the system.

However we might wonder what the tools in the Commission's hands are which enable it to impose its goals on MS and achieve the targets. Briefly, is the instrument of recommendation appropriate not only to keep the dialogue open but rather to align MS measures and targets to those set at EU level? If the 2030 targets agreed at EU level for renewables and energy efficiency are not translated into binding national targets, recommendations, in my opinion, seem to be an instrument too weak to recall MS to the full respect of common targets.

Even if we could interpret the meaning of recommendation as above suggested, namely in the spirit of soft law, at this step of the discussion on the package it is difficult to glimpse any signs of sanction measures which could be foreseen in the case of weak and insufficient explanations given by MS.

Concluding on this point, it seems that the Commission would like to regain a stronger position as engine of the evolution towards a low carbon economy. However up to now political resistance and regulatory gap of MS do not make this viable.

Recalling some key points of the Energy Union document such as energy security it was highlighted also in the previous paragraphs that the Commission tries to acquire a renewed central role by means of various instruments (see, among them, the proposed revision of the dynamic of inter-governmental agreements such as those between a MS and external countries putting in place a single and common mechanism).

The same trend to introduce a more centralized governance system could be seen in the attempt to redesign ACER's role and its competences in order to make regulation at EU level more effective. This project was described in the Energy Union document clearly and detailed in the WP with the recast of the regulation 713 of 2009.

The proposal arising here is, in my opinion, the attempt to redesign the relationships between ACER and the Commission, on the one side, and, on the other, ACER and national regulators fostering those between the Commission and ACER and weakening the role of the national authorities (Board of Regulators) inside ACER. Such a redefinition of roles and powers seems to be aimed at reducing the influence of national interests on ACER's decisions and attracting ACER much more than before towards the EU level. In this perspective ACER could become, as some observers suggest, the connecting element between the Commission and the national authorities and increasingly the 'fighting fist' of the Commission.

There is no doubt that these trends seem to emphasize the Commission's will to gain a stronger position in the energy landscape as a head or real centre of the energy system redefining in some ways the relations between politics and regulation. However achieving the objectives needed for decarbonising the economy and the daily life of citizens requests, in my opinion, a more centralized governance structured on a more vertical dimension.

All in all, as emerged from these brief remarks, in the EU energy landscape there are conflicting trends which, as often, can be decided thanks to the ongoing experience.

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[1] See the programme SAVE of the Council (1991) and the Council Directive 93/76/EEC of 13 September 1993 to limit carbon dioxide emissions by improving energy efficiency.

[2] Energy Union package - *A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy* (COM(2015) 80 final - 25.2.2015.

[3] The meaning of this passage becomes clear in the words of Maroš Šefčovič - Vice-President for Energy Union: ‹‹*Today's package will boost the clean energy transition by modernising our economy. Having led global climate action in recent years, Europe is now showing example by creating the conditions for sustainable jobs, growth and investment*››) che in quelle di Miguel Arias Cañete, Commissario per il clima e l'energia (‹‹ *Our proposals provide a strong market pull for new technologies, set the right conditions for investors, empower consumers, make energy markets work better and help us meet our climate targets* ››.

[4] Proposal for a Regulation of the European Parliament and of the Council *on the Governance of the Energy Union*, COM(2016) 759 final (30.11.2016).

[5]The Energy Union strategy has five mutually-reinforcing and closely interrelated dimensions designed to bring greater energy security, sustainability and competitiveness:
- Energy security, solidarity and trust;
- A fully integrated European energy market;
- Energy efficiency contributing to moderation of demand;
- Decarbonising the economy, and
- Research, Innovation and Competitiveness

[6] *A policy framework for climate and energy in the period from 2020 to 2030* (COM (2014) 15).

[7] Communication from the Commission to the European Parliament, the Council, the European economic and social committee, the Committee of the regions and the European investment bank, *Clean Energy For All Europeans* (COM(2016) 860 final – 30.11.2016): " *The Commission has reviewed the EU's energy efficiency target, in line with the request by the European Council of October 2014, and considers that the EU should set a target binding at the EU level of 30% by 2030. Compared to the at least 27% target agreed in 2014, this increase is expected to translate into up to €70 billion of additional gross domestic product and 400.000 more jobs as well as a further reduction of the EU's fossil fuel import bill.19 The increased target will also help meeting the EU's 2030 greenhouse gas emission reduction and the renewables targets"*.

[8] Article 1 and 3 are amended to add the Union's 2030 binding 30% energy efficiency target. Article 4 will be removed and added to the Dir. on energy performance of buildings. Article 7 is amended to extend the obligation period beyond 2020 to 2030 and make it clear that MS can achieve the required energy savings through an energy efficiency obligation scheme, alternative measures, or a combination of both approaches. Article 9 on metering and 10 on billing are amended in order to improve the ways in which MS give information to users.

[9] See Annex 1 of the proposal of regulation: *general framework for integrated national energy and climate plans.*

[10] Proposal for a Directive of the European Parliament and of the Council on *common rules for the internal market in electricity* (recast) - COM(2016) 864 final/2.

[11] Ammannati (2012), 37.

[12] *Launching the public consultation process on a new energy market design* (COM(2015) 340 final).

[13] Proposal for a Regulation of the European Parliament and of the Council *establishing a European Union Agency for the Cooperation of Energy Regulators* (recast) - COM(2016) 863 final.

[14] Joint Statement of the European Parliament, the Council of the EU and the European Commission *on decentralised agencies* of 19.7.2012.

[15] The Energy Community is an international organisation consisting of the EU, represented by the European Commission, and the countries of Albania, Bosnia and Herzegovina, Georgia, the former Yugoslav Republic of Macedonia, Kosovo, Moldova, Montenegro, Serbia, and Ukraine - these countries are known as the 'contracting parties'.

[16] Regarding bilateral relationships Association Agreements with the Republic of Moldova and Ukraine were recently signed, providing for a Deep and Comprehensive Free Trade Area. The Association Agreements aim to deepen political and economic relations between the EU and the other signatories and to gradually integrate these countries into the EU Internal Market.

Regarding multilateral relationships currently Moldova and Ukraine are included in the Energy Community (respectively in May 2010 and February 2011). They committed themselves to adopting and implementing a series of European Union directives relating to gas, electricity, renewable energy and environmental protection.

[17] Ammannati (2013), 2.

[18] *"…providing consumers with frequent access, including in near real-time, to partially standardised, meaningful, accurate and understandable information on consumption and related costs as well as the types of energy sources"* - New Deal for Energy Consumers Communication (2015).

[19] Ogus (2004), 122.

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