Statement by Commissioner Kadri Simson following the High-Level Videoconference of Energy Ministers

Brussels, 28 April 2020

Let me first thank the Croatian Presidency and minister Ćorić for doing an excellent job during such a difficult time. I'm looking forward to continuing our good cooperation and the upcoming Council meeting in June.

We had an extremely relevant and very timely discussion today on the crisis and the energy sector.

This unprecedented emergency has put our energy system to the test. I’m proud to say that it has proven its resilience and, as the ministers confirmed, there has been no disruption of supply. I want to thank the Member States, Europe's energy companies and network operators for being prepared and taking the right steps at the right time.

That does not mean there hasn't been any impact on the energy sector. There is turmoil on oil markets, where we are experiencing a demand shock and a supply shock at the same time. Reduced electricity demand and low prices are also affecting the balance sheets of many utilities and energy companies.

Most worryingly, there is the situation of the European renewable energy industry, wind and solar in particular. The crisis has shown the vulnerability of our supply chains, reduced investment levels, shrank markets, caused delays for projects in emerging markets and in some cases, stopped production in Europe. It must be a priority for all of us to respond to this and preserve Europe's global leadership in clean technologies.

This brings me to the issue of recovery. The crisis has given us a snap-shot of the future: in many countries, the penetration of renewables has significantly increased and this will become more and more common. We must use this moment as an opportunity to accelerate the progress towards our climate neutrality goal.

Last week, the European Council tasked the President of the European Commission with putting forward a recovery plan, linked to a revised proposal for the Multiannual Financial Framework. The Green Deal will be at the heart of that plan and energy will have an important role to play. It was encouraging to hear the ministers sharing this view. I see three potential focus areas in our sector: boosting buildings renovation, accelerating renewables development and investing in innovative clean energy technologies.

First, a large-scale boost to renovation would deliver on several fronts: support the economy, create jobs, provide healthier and more efficient houses, cut energy bills and contribute to our climate goals. I see homes, hospitals, schools and SMEs as the first target areas for investment.

To support that investment, we must also make renovation as easy as possible. That's why I will present in September the 'Renovation Wave' initiative, a plan to stimulate building renovation in Europe with concrete actions.

Second, we need more renewable energy. On one hand, this means supporting the European renewable energy supply chains, on the other, promoting big infrastructure projects that will provide stimulus for the economy, while making our energy system greener.

To achieve this, I am working on the energy system integration strategy. It will focus on how to increase the role of renewable electricity via electrification, and how to use green gases for hard-to-decarbonise sectors. Later this year I will also present a new strategic approach to offshore renewable energy, to make sure we use all the potential of that strategic sector.

We also need to upgrade our energy infrastructure. Funding from a strong Connecting Europe Facility and possibly from the new Recovery Fund could support this and trigger private investment. The ongoing work for the revision of the TEN-E regulation will help project promoters to develop the infrastructure of the future.

Finally, we could focus on innovative clean technologies like batteries and electrolyzers for hydrogen production. Europe will be an even stronger leader in renewables if green hydrogen becomes
competitive and deployable in the next decade.

The EU recovery plan cannot do all the heavy lifting alone, it will be a complement to national stimulus packages. I asked the ministers today to ensure that the measures Member States take are strategically wise and help us move towards climate neutrality.

Now more than ever, we must stay true to our values and not lose sight of our long-term goals. Today's Council has sent a strong message that delivering a clean energy future must be at the heart of Europe's recovery from the crisis.

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