

## BALTIC CLEAN AND GREEN ENERGY CONFERENCE

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### A Message from the Presidency of the European Union

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Excellencies, Ladies and Gentlemen,

Allow me first to thank the organizers of this conference for inviting me to speak today, on behalf of the Swedish Presidency of the EU. I am delighted to be in the beautiful city of Tallinn, and ashamed that it's only my second visit. My first was in the early 90s, and developments since then have been truly remarkable.

What I would like to do today is to give you a sense of what the energy file looks like from the perspective of an EU Presidency. I'll speak about the internal energy issues as well as the external aspects of European energy policies. But first, I need to put energy in the overall context of this Presidency.

It was clear from the beginning that this Presidency would face some major challenges when we took over on July 1<sup>st</sup>. (Note of caution: Anyone representing an EU Presidency will happily tell you that theirs was the most challenging and defining Presidency for a long time.) In our case we have had to deal with two well-known yet nonetheless formidable challenges. First, Sweden has to take the lead and co-ordinate the efforts to steer the EU out of the worst economic and financial crisis since the 1930s. At the same time, it will be the responsibility of Sweden to take the lead within EU in seeking to ensure that we reach a global agreement on fighting climate change in Copenhagen in December. These two priorities are defining factors of our Presidency. Moreover, this term is characterized by both change and renewal within the EU. We have a newly elected European Parliament. A new European Commission is due to take office some

time during our Presidency. There is also uncertainty as to when the Treaty of Lisbon will be able to enter into force. We followed with great interest the referendum in Ireland, and we are consulting with Czech authorities on the way forward in Prague.

Climate change has already begun to cause a fundamental shift in thinking on how we use the earth's scarce resources. This will sooner rather than later force businesses to adapt the way they produce their goods and services – or even what goods and services they choose to produce. At the same time, the economic and financial crises have forced governments and citizens everywhere to reconsider what the sources of our future prosperity might be. And so the climate and the financial crises have already set in motion a process of fundamental change of our economies that will affect us all.

We must not see these changes as threats. Instead we should welcome and embrace them as opportunities that open up in times of crisis and challenge. We are confident that we can address both the economic crisis and the climate challenge at the same time, by creating an economy that takes advantage of the tremendous opportunities for growth, jobs and competitiveness that the environmental transformation we need brings with it.

The Swedish Presidency would therefore like to link climate challenge discussions with the competitiveness debate. By working for a shift towards what we call a European Eco-efficient economy, we believe that it is possible to meet the climate challenge while also strengthening EU competitiveness. An eco-efficient economy is about creating more wealth while using less natural resources, causing less negative impact on the environment. It is about combining competitiveness and entrepreneurship with environmental responsibility. And it's about making use of the growing demand for environment-friendly and organic products, services and system solutions as the world makes the necessary shift to new forms of housing, production and transportation.

I stress these two points, the economy and the environment, because the links to the energy issue are so obvious. In fact, how we generate, transmit and use energy is at the core of the transition. Learning to use energy and natural resources as efficiently as

possible and to generate energy from new, clean sources is central for job creation, for carbon emissions reductions and for increased security of energy supply. Many companies around the world have already seized this opportunity – simply by applying the business logic that there is money to be made. They have realized that if they start early to adapt to the new consumption patterns they will gain an important competitive advantage for years to come. The Swedish Presidency is saying: It's time for Governments to apply the same logic.

Ladies and Gentlemen,

Turning now to the energy agenda within the EU, it's clear that increasing Europe's security of energy supply has been very much in focus lately. The Swedish Presidency continues to keep this issue high on the Council's agenda. Energy efficiency is central to strengthening our security of supply. Consequently, our top priority is to try and finalize the negotiations on the three energy efficiency directives on the performance of buildings, labelling of products and labelling of tyres. We look forward to the Commission's coming package containing a revised action plan for energy efficiency and a communication on financial solutions for low-carbon technology.

Beyond the work of the Energy Council, a liberalized internal energy market with good communication links is one of the most important prerequisites for a secure energy supply. The Baltic Energy Market Interconnection Plan (BEMIP), is a case in point. Sweden was very pleased to see, earlier this summer, that BEMIP resulted in a clear roadmap for reforming the three Baltic countries' energy markets by a process aiming at full implementation of EU energy market legislation. This was necessary not only for various single projects on interconnections between the Nordic electricity market and the Baltic countries, but crucial for enabling the process for possible future further integration of Nordic and Baltic electricity markets..

Ladies and Gentlemen,

The January 2009 gas crisis between Russia and Ukraine did not come as a great surprise for those who follow the gas sector – and certainly not for the industry - but for the public in general, and for many at the level of political decision-making, it was a wake-up call. It showed how important it is to have access to effective mechanisms for monitoring and crisis management. And it showed the importance of ensuring that Europe speaks with one voice with our partners. In fact, In January, Europe did speak with one voice and this contributed to solving the crisis. There is no doubt in our minds that the EU will continue to stand united on this issue.

Since January, the EU has been taking several steps to prepare better for a possible next time. Based on proposals from the Commission, the Council is actively pursuing various ways of increasing European energy security, i.a. through the proposed revised legislation on security of gas supply. We are also engaging with Ukraine on the issue of reforming the gas sector in that country, as a prerequisite for crucial financial assistance. We have also launched the Eastern Partnership and its multilateral platforms, including on energy security.

Diversification is yet another important aspect of energy supply security. Here, the Council is actively pursuing diversification of energy suppliers, energy sources and supply routes and considers that all three elements of diversification are equally important. The regular energy dialogues with countries or groups of countries such as Norway, Russia, the OPEC countries or Memoranda of Understanding in the field of energy with countries such as Kazakhstan, Turkmenistan or Azerbaijan are just some examples. We are also paying a lot of attention to the development of cooperation on energy within the so-called southern corridor, linking countries in the Black Sea and Caspian region to the European market.

And, since we are here with our American friends, let me underline that we are engaged in a very positive and constructive dialogue with the United States on how we can strengthen and formalize the transatlantic partnership in this area, with a view to establishing in the near future a regular forum for dialogue at the political level. In focusing i.a. on the promotion of new, clean technology we are hoping, on the Swedish

side, that the conversations in this context can draw inspiration from the very fruitful collaboration we have on a bilateral basis with the US. together, we are working to promote concrete and hands-on business-to-business relations and partnering arrangements for companies involved in developing new and exciting technologies for renewable energy. This, we hope, can be a useful model also at the level of EU-US relations.

Ladies and Gentlemen,

In closing, let me re-iterate that energy security and carbon emissions reductions are mutually reinforcing goals of a strategic importance to the EU. Clean and green energy technology combines the two and should be at the heart of our endeavors to formulate supportive policies and legislation. If we can achieve that, we will be acting to the benefit of consumers, businesses and governments alike and, ultimately, in the interest of our global climate and our prosperity. This conference has provided us with an excellent forum for discussing this crucial issue, and for that my thanks go to the organizers of the event. Thank you also to the audience for your patience and attention during lunch.