

## RESERVATION FOR CHANGES

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European Energy Policy during the Finnish Presidency

Dear Distinguished Colleagues

I would like to welcome you to Finland! It is a pleasure to discuss the issues related to the Finnish EU Presidency with You. I appreciate the Parliamentary cooperation highly. I have been MP for 28 years. It is crucially important, that the National Parliaments follow very carefully the work of the Council.

I act as President in the Competitiveness Council and Energy Council, and in both Councils there are currently very interesting issues, which are important for the European Economy.

I concentrate on the energy policy of the EU and take the opportunity to tell you, how Finland will take forward the work to develop EU's energy strategy.

The EU faces major challenges in the field of energy. The Russia-Ukraine gas dispute at the beginning of the year served as a striking reminder of our increased dependence on imported energy. We must secure uninterrupted **supply** of energy at a **competitive price** and strive towards **reducing emissions** to the greatest extent possible.

We can best meet these challenges by further promoting the development EU's common energy strategy. The EU is a significant energy consuming area, and also us Finns here in the Nordic conditions the question of sustainable energy supply is a key-issue. The European voice will be better heard if we have defined common goals and give similar messages to third countries.

We also influence each other's energy systems. Decisions taken in one Member State are likely to influence the neighbouring countries. However, at the same time it is very clear that every Member State takes independently the decisions on their energy mix.

Ladies and Gentlemen,

We are now in the phase of a general policy discussion in Europe. We work for to prepare decisions on EU energy policy development for the Germany's Presidency next spring. The debate and exchange of views leading to them will be of particular importance. Now it's the time to hear the Member States' expectations on EU's future energy strategy. Also the European Parliament participates actively in the energy debate and the results of the public consultation on the **Green Paper** on a European Strategy for Sustainable, Competitive and Secure Energy during Finland's Presidency.

Finland aims at promoting the development of EU energy policy especially in the following areas:

Firstly, on Europe's **energy security**. We can promote this by improving our relationships with energy producers and major consumers of energy. Developing relations and cooperation with Russia will hold special importance for the EU.

Secondly, we emphasize **sustainable energy production and consumption**, encouraging energy efficiency and use of renewable energy sources.

Thirdly, we focus on the performance of the **internal energy market**.

As **external relationships** play a significant role in enhancing Europe's energy security, they should be harnessed into promoting the energy policy's objectives. During Finland's Presidency, we strive to develop the dialogue with Russia on energy, as well as promote partnerships with other significant energy producers and consumers.

**Russia** is EU's most important energy importer. Some important issues on the agenda with Russia include energy security, trade, investments and energy efficiency. The institutional framework for future co-operation should be reviewed over the coming months. To a certain extent, this will be achieved in the context of renewing the Partnership and Co-operation Agreement (PCA).

Finland will organise a meeting of the Permanent Partnership Council (PPC) related to energy, providing an opportunity for a debate on important energy issues, including engaging in a dialogue with Russia.

The EU countries share some of the challenges with other energy consumer countries, such as cutting carbon dioxide emissions via renewable energy sources and new energy-efficient technology. The EU should develop energy partnerships also with other producer, transit and consumer nations. Energy is a key issue in many summits held this autumn with third countries, such as China, India, Russia and Ukraine, as much as in the Asia-Europe Meeting (ASEM).

Regional energy partnerships are on the agenda of in the Caspian Sea and Black Sea Energy Ministerial Meeting. In addition, the EU's and the United State's energy and environmental ministers will meet during Finland's Presidency to launch a high-level dialogue on climate change, clean energy and sustainable development.

Dear Colleagues

I have noticed, that the discussion especially of **bioenergy** has activated in the Energy Council during the last two years. All Member States are now serious in developing it's share.

In Finland, we have for a longer time used a lot of renewable energy for heating, and we have anxiously developed the technology in this field. We work for to progress in utilizing renewable energy sources; i.a. next month we arrange a Director General meeting on these questions.

The EU has existing targets for renewable electricity and fuels, and we will consider this autumn the action required to achieve the existing targets and help us to increase the use of renewable energy.

The steep rise in the fossil fuel prices has improved the relative competitiveness of renewables. We will be able to lower the costs further by developing the technology and supporting the bringing of technology to the markets.

In Finland we have recently prepared an active policy for to increase the biofuels too, and we will introduce a compulsory share of ethanol and biodiesel in fuels. We work seriously for to reach the EU's target of 5,75 % of biofuels in 2010.

In a few days I will launce the main guidelines for a research programme on renewable energy in transport. The target is to promote the research of second generation renewable energy options.

The Spring European Council highlighted **energy efficiency** in developing the EU's energy policy. In Europe, we have plenty of scope to improve our energy efficiency in a cost-effective manner. We should now consider the best methods to promote the realisation of this potential.

The Action Plan on Energy Efficiency, to be proposed by the Commission in the near future, will function as a basis for the discussion. The Action Plan will focus on action in the following areas: changing consumers' energy behaviour, using the full potential of existing legal instruments, improving energy transformation, energy efficiency in transport, financial instruments and a global approach to energy efficiency.

Dear Parliamentarians

Developing the **internal energy market** is one of Finland's priorities. Finland begins from the premise that there is ample scope for improving the internal market on the basis of the existing legislation. The electricity and gas Directives have not been correctly implemented, and the market lacks competition.

I believe that we need to put some major effort into solving this issue and, making gradual progress, start with improving the regional market performance and then tackle the EU-wide markets. During our term of Presidency, Finland also wishes to bring up the effects of emissions trading in the internal market as the steep rise in the price of electricity has surprised everybody.

In sum, our actions during Finland's term of Presidency focuses on three areas: secure energy supply, competitive prices and low emissions.