

Ladies and gentlemen,

It is already more than a year and half since the creation of the Energy Union, which should, through a holistic approach contribute to a fundamental change in the perception of energy sector and energy policy so that the energy policy becomes a truly shared responsibility.

Elapsed time since the creation of Energy Union allows us to assess of what has been achieved so far. Analysis of the successes and challenges was among other things already captured in the first report on the state of Energy Union prepared by the European Commission.

Considering the climate protection agreement, which was reached this year in Paris, major emphasis is currently put on the continued decarbonisation of the European economy. The Czech Republic in this regard appreciates that the intention to be a world leader in a deployment of renewable energy sources does not mean a departure from other zero emission sources such as nuclear energy, which was reflected in the Communication on Nuclear Illustrative Programme. We are very interested in the changes that the European Commission will present in the revised directive on renewable energy sources. The Czech Republic has been emphasizing the need to respect the conclusions adopted by the European Council, which set a binding target of 27% for the European Union by 2030.

In the area of energy efficiency, the European Commission in the beginning of this year prepared and presented the EU Strategy for Heating and Cooling. The Czech Republic welcomes this step, because we believe that the heating sector has been partially neglected in the past, mainly in favour of the power sector. In the new version of the World Energy Outlook prepared by the International Energy Agency, which will be also presented and discussed as a part of this conference, it is clearly visible that the majority of global investments goes into zero-emission sources in power sector. Successful development and deployment of zero-emission energy sources in other sectors, such as the heating sector and the transport sector is very important, not only for reducing emissions, but also

for the adoption of technologies and practices with which Europe can compete internationally.

However, the main task in the field of energy efficiency is still ahead of us. The European Commission is about to present proposals for the revision of the Energy Efficiency Directive and the Energy Performance of Buildings Directive. Considering the fact that the housing sector is a major consumer of energy in the European scale, we consider these directives as crucial and we also welcome the enlistment of these proposals among the main priorities of the Maltese presidency.

From the perspective of the Czech Republic we believe that the crucial element of the Energy Union and a precondition for the overall success of its goals is a creation of a truly unified internal energy market. Energy flows should be the 5th freedom of movement.

Electricity and gas are nowadays traded between Member States more effectively, also with the contribution of so-called implicit auctions or market coupling. However, a relatively large proportion of cross-border capacity is unfortunately not used for the scheduled trade. These facts may discourage the search and adoption for common solutions in this area. With regards to the integration of the electricity and gas markets there is a need to speed up work on the construction of the necessary infrastructure, especially the most important Projects of Common Interest. Their implementation will contribute to the diversification and stability of supply and thus the overall strengthening of energy security.

With regards to the internal energy market pillar of Energy Union the introduction of the legislative package, which should introduce a completely new structure of the electricity market, is highly anticipated. This topic is one of the main priority for the Czech Republic and therefore I would like at this point to draw your attention to a common position of the Czech Republic, Denmark, Germany, Finland, the Netherlands, Norway and Sweden on this issue.

Furthermore, let me express the view that the biggest progress achieved within the framework of the Energy Union was in the field of security of supply. In February this

year two proposals in this area were issued including the revision of the regulation on security of gas supply and the revision of the decision on intergovernmental agreements.

Although the discussion and negotiation of both proposals is not an easy task, I believe that it will be possible to reach an agreement that will strengthen regional cooperation, solidarity and transparency in this area. The Czech Republic is ready to continue constructive discussions that await us on the forthcoming Energy Council.

In the broader context of the focus of this conference I consider important to mention the issue of research, innovation and competitiveness, which is one of the five main pillars of the Energy Union. Activities at the level of the Strategic Energy Technology Plan such as the preparation for the integrated roadmap, the related implementation plans and identification of ten key actions are according to my opinion very concrete steps to fulfil the broader framework of this pillar. In recent months we in the Czech Republic devoted relatively big effort to prepare a program of public support aimed directly at research in the field of energy technologies. We used the work carried out under the Strategic Energy Technology Plan together with national strategic plans as a mean to identify and formulate key research priorities. The coordination of research priorities and the related collaboration between research organizations and private sector is according to my opinion an optimal way to mobilize investment in science, research and innovation and develop an investment framework for the capital-intensive technologies in the energy sector.

Mr. Commissioner, ladies and gentlemen, in the light of the aforementioned, I believe that despite the considerable successes that has been achieved, there is further road ahead in order to successfully achieve the Energy Union targets and objectives. Some of the major challenges are still ahead of us, and in this context I consider the upcoming year 2017 as very important. I firmly believe that the European Commission's proposals will respect the agreements reached so far and that the introduced proposals of directives and regulations will be ambitious, but at the same time substantive and workable in practice.

If this is succeeded, we will be still closer to the full establishment of Energy union.

Thank you for your attention.