



## Press Release

Luxembourg, 15 December 2015

### **“Patchwork” of EU energy markets must work together, say Auditors**

The EU still faces a significant challenge in getting the current patchwork of local, regional and national energy markets to work together for the development of the internal energy market, according to a new report from the European Court of Auditors. Energy infrastructure in Europe is generally not yet designed for fully integrated markets, say the Auditors, and therefore does not currently provide effective security of energy supply. Financial support from the EU budget in the field of energy infrastructure has made only a limited contribution to the internal energy market and security of energy supply.

The internal energy market should allow the free flow and trade of gas and electricity across the EU. The EU budget provided €3.7 billion of financing for energy infrastructure between 2007 and 2013, with a further €7.4 billion expected between 2014 and 2020.

But the report points out that the EU’s objective of completing the internal energy market by 2014 was not met. There remains a long way to go before the Third Energy Package is fully implemented. Because energy infrastructure in Europe is not designed for integrated energy markets, it does not provide effective security of supply, say the auditors, who examined case studies in six Member States - Bulgaria, Estonia, Lithuania, Poland, Spain and Sweden. They found significant differences in how Member States organise their energy markets, which risk holding back the EU market as a whole, and they concluded that financial support from the EU budget has made only a limited contribution.

*“Security of energy supply is vital for Europe in an uncertain world”, said Phil Wynn Owen, the Member of the Court of Auditors responsible for the report. “To achieve that, we must complete the internal energy market, and share the energy we already have.”*

*The purpose of this press release is to convey the main messages of the special report adopted by the European Court of Auditors. The full report is available at [www.eca.europa.eu](http://www.eca.europa.eu)*

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Cross-border energy flows require more cooperation between neighbouring countries, says the report. So the European Commission should identify energy infrastructure in the EU that is not in active use, and work with the Member States to take down barriers to its use for the internal energy market. In addition, the Commission should consider new ways for energy in one Member State to be available to customers in another, for instance, by developing regional infrastructure operators.

Because the internal energy market regulations have not been fully implemented, the auditors recommend that the Commission should initiate any necessary infringement procedures against Member States by the end of 2016.

Finally, current funding for energy infrastructure does not have the internal energy market as a primary objective. The Commission should make legislative proposals on how to make its decisions to select energy infrastructure projects for funding subject to the proper and continuous functioning of the energy market in the Member States.

## Notes to editors

**Special Report No 16/2015 “Improving the security of energy supply by developing the internal energy market: more efforts needed”** is available in English, French and German (other languages to follow shortly).

Our special reports set out the results of our performance and compliance audits of specific budgetary areas or management topics. We select and design these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.