

[Malcolm Wicks](#)

Minister of State for Energy, United Kingdom

I'd like to build on what Joan has said and offer an Industry Ministry perspective on energy security and market liberalisation. Both are crucial elements of the broader climate change agenda and have implications for continued economic growth and EU competitiveness.

The two great themes of the 21st Century are climate change and energy security. There has never been a more important time to debate either. To look ahead and set out how we as Europeans, as part of a shared energy system, can meet our future energy needs while controlling climate change.

The days when a country set its energy policy in isolation are over. While we all must take action domestically, we need European and international action if we are to be fully effective. Our future prosperity depends on us working together to deliver secure energy supplies and a stable climate for all.

The climate change problem is one that cuts across our entire social structure. It is not simply an environmental issue – we need to address it as a security issue, an energy security issue; and an economic security issue. And we need to adapt to this all-embracing threat, to mitigate against its potential to damage our way of life.

One of our key aims is to secure a reliable supply of energy for our citizens, at competitive prices, while still moving towards a low-carbon economy and society. This transition will require structural changes in production and consumption. Development, production and use of products with improved energy efficiency and low carbon emissions will be key factors determining the competitiveness of national economies and businesses. By lowering energy consumption these products will reduce costs for consumers, whose purchasing decisions should then, in turn, influence the market share of these products.

Energy security underpins our way of life, and whilst it is arguably one of the biggest factors influencing climate change, it is also the area in which the richest potential exists for innovative solutions.

Our methods of energy production, and our energy consumption, must evolve in order to keep pace with the changing situation.

The UK's international strategy was set out in our Climate Change Strategy Framework and affirmed in our Energy White Paper [published on 23 May 2007].

The key objectives are first to bring about global investment in low carbon technologies that will deliver a transition to a low carbon economy, including through an effective carbon market and secondly to build resilience through managing impacts and encouraging adaptation to unavoidable climate change. Crucial to this is to secure international agreement to a realistic, robust, durable and fair framework of commitments for the post-2012 period.

Therefore at the European level we support the push towards sustainable and renewable methods of energy production and greater energy efficiency.

Market liberalisation is a crucial aspect of Europe's future energy policy and can contribute to

the broader climate change agenda.

Open, competitive markets have worked well in the UK – providing fair access to energy supplies, fostering investment throughout the energy supply chain and delivering diverse, reliable supplies at competitive prices. So it is natural that it is a cornerstone of our EU policy as well.

Markets cannot function properly unless there is a clear, stable and non-discriminatory regulatory framework - and industry structures which provide the right incentives for investment. The action plan adopted by Heads of State and Government in March contained all the elements necessary to achieve this – notably, effective unbundling; enhanced powers for regulators and greater cooperation between them; greater coordination between system operators; and transparency of market information. In such a market-based system, putting in place policy measures to ensure that investment decisions reflect the environmental costs incurred are vital if we are to tackle climate change.

The agreements reached at this year's Spring Council mean that for the first time, Member States have agreed an Energy Policy for Europe. One that builds on our individual role in determining our own national energy policy. And sets out areas where we can work together for the good of all EU citizens. Only by working together with the Commission and our European partners can we achieve our aims on tackling both climate change and energy security – and successfully exploit significant opportunities presented by our decision to shift to a low carbon economy. Your Presidency next year is crucial to the delivery of this entire agenda, the UK stands ready to help you wherever we can.