Energy Policies of IEA Countries
Austria 2014 Review

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Energy policy context has changed since 2008

- EU has a larger role in member countries’ energy policy
  - 2020 targets for GHGs, RES and EE
  - Internal market for electricity and natural gas
  - Negotiations over 2030 framework
- Shift in EU focus from climate policy to security of supply and competitiveness
- Austria has a balanced focus on energy efficiency, renewable energy and security of supply
Macro indicators point to improvements:
- primary energy supply stabilised
- fossil fuels use reduced
- renewable energy use increased
Successful policy on oil and gas security

- Oil security on a sound basis, but could be improved by a second crude pipeline connection
- Around 80% of natural gas supply from Russia alone, but ample storage capacity increases gas security
- Baumgarten hub important for the region: liquidity and diversity of supply key issues
- Enhancing reverse flow of pipelines with neighbouring countries is good for both Austria and the region
- Domestic shale gas potential should be explored
Take more steps with neighbours to build a European single market in electricity

- Increase interconnector capacity
- Co-ordinate redispatch measures
- Improve congestion management and pricing of transmission use
- Extend market coupling
- Establish competitive cross-border balancing and intraday markets
- Use your great hydro potential to the benefit of the region

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RD&D essential for decarbonisation

- Public funding more than tripled since 2007
- Private-sector funding should be encouraged

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More needs to be done with GHG emissions

- CO₂ emissions from energy use declining, but need to decline much more
- This leaves transport as the focus sector for decision-makers
- Long-term decarbonisation requires serious efforts
Our key recommendations (1/2)

The government of Austria should

- Develop a post-2020 energy and climate strategy that integrates security of supply and internal market dimensions. Specifically, analyse how emissions could be reduced with domestic and EU-wide measures only.

- Address concerns over energy prices and costs by further promoting energy efficiency and greater retail market competition.
Our key recommendations (2/2)

The government of Austria should

- Continue the drive towards cross-border integration of both electricity and natural gas markets. In doing so, pay attention to the need for
  
  - co-ordination and co-operation with neighbouring countries;

  - encouraging investment in networks, optimising demand response and integrating variable renewable energy supply in a cost-effective and market-based manner.