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The energy challenges facing the EU are increasingly complex and only a more European approach will ensure that we meet these challenges in an effective and affordable manner. Also the political context is changing with significant impacts on the energy sector. This makes us rethink our market and regulatory frameworks and whether they are still fit for purpose going forward.

In light of the challenges we have to use the opportunity to revisit our energy system. The European Commission came forward with the Energy Union Strategy in February 2015, setting out a plan to achieve a resilient Energy Union with a forward-looking climate change policy. In Europe, we are committed to bringing EU integration and cooperation in the energy area to the next level. To realise the Energy Union, current initiatives pursued by the European Commission address among others security of supply in natural gas and in electricity, electricity market design challenges and the improvement of the regulatory framework.

Despite increasing technological progress in the development of renewables, local generation and smart grids, numerous regulatory barriers and obsolete rules prevent customers or new service providers acting on their behalf to take part in electricity markets on equal footing with established market players. Therefore, we have to incentivise the development and deployment of such technologies. Smart, innovative grids are key and are part of the solution for managing the grids in times of increasing shares of renewables, decentralised generation, new loads and new services.