

Market needs clear price signal to restore confidence

The best tool to reinstate confidence in the global energy markets and mitigate the effects of the current economic crisis is a clear price signal in an open and transparent market, according to European Energy Commissioner Andris Piebalgs. "Energy companies need clear price signals to know where to invest. The EC has tried to provide this with clear rules for the Internal Market, with a carbon price, and with clear objectives for renewable energies and energy efficiency," says Piebalgs. "Economic crisis has had an impact on the demand of energy, and there have been some difficulties for small and medium enterprises to get financing. It is important to restore confidence and transparency to the markets in order to attract investment in energy where it is more needed," he says. Piebalgs is keen to achieve international agreement at the UN Climate Change Conference in Copenhagen in December. "Our main tool to drive the energy sector towards a low carbon system is the price of CO₂ in an open market. We have also provided a clear regulatory framework to promote renewable energy sources and energy efficiency," he says.

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