

Energy Union: The Making-Of

When in April 2014 the then Polish Prime Minister Donald Tusk took up the pen and wrote the words “Energy Union” in a piece for the Financial Times, he wanted to unite Europe against the threat of Russian aggression in Ukraine and the implications for security of gas supplies for Europe.

This call for an Energy Union hit the political headlines and was soon picked up by the then European Council President Herman Van Rompuy and the newly appointed European Commission President Jean-Claude Juncker. President Juncker appointed a Vice-President for Energy Union, Maroš Šefčovič, to his Cabinet who published an Energy Union strategy in February 2015.

While the name was set from the beginning, the meaning and content of the concept changed dramatically in those ten months between the publication of the Financial Times article and the launch of the European Commission’s Energy Union strategy.

Whereas Tusk’s agenda included projects around common purchasing of gas, transparency of intergovernmental gas contracts, and rehabilitation of coal for supply security reasons, Šefčovič provided a more forward-looking, holistic strategy on energy system transition with decarbonisation at its core. Key themes of the agenda now include energy markets fit for renewable energy sources (RES), infrastructure investments, a long-term energy governance system and sectoral strategies on buildings and transport.

Using language reminiscent of the German Energiewende concept, the European Commission states that “our vision is of an Energy Union with citizens at its core, where citizens take ownership of the energy transition [...] To reach our goal, we have to move away

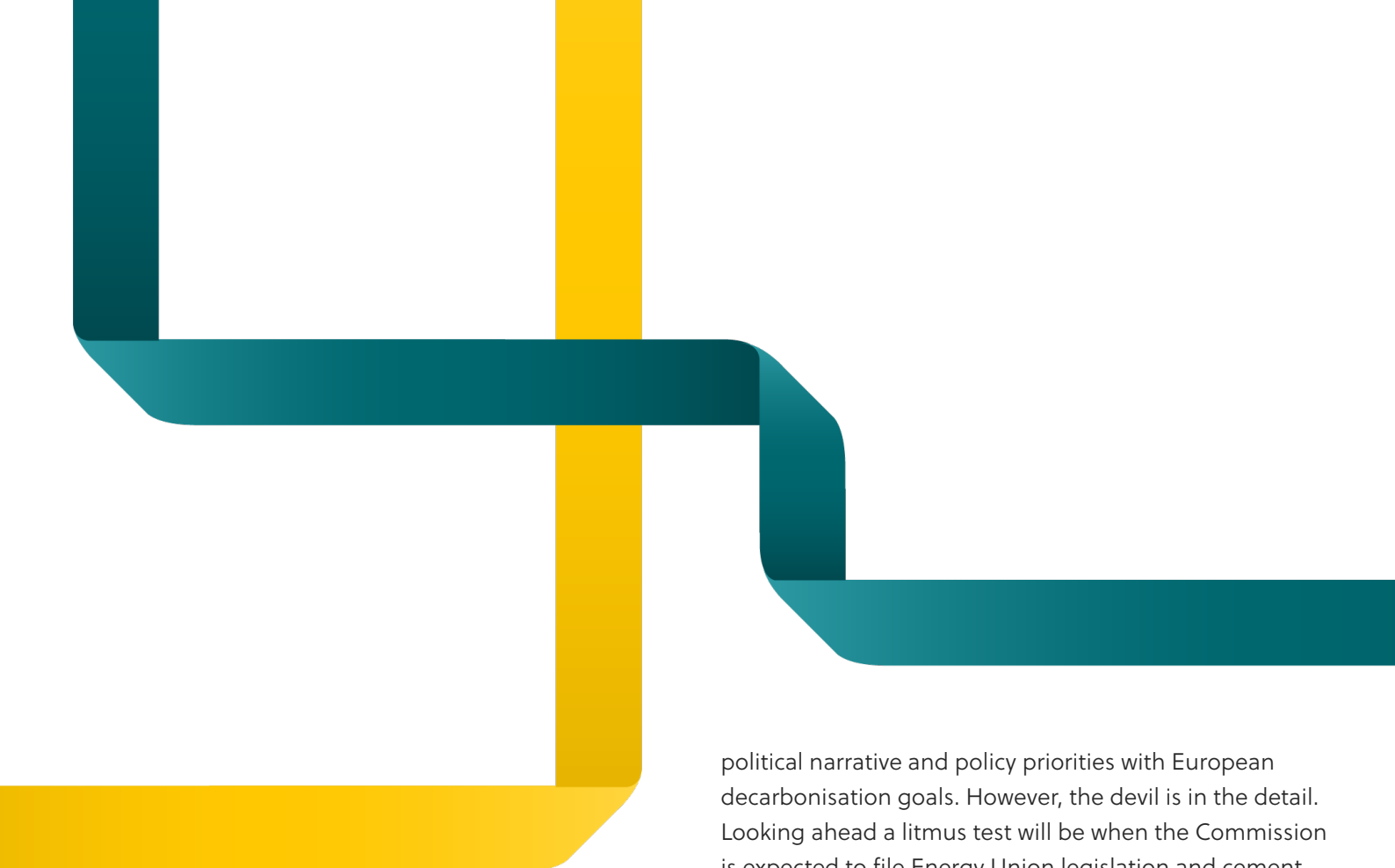
from an economy driven by fossil fuels, and based on a centralised, supply side approach relying on old technologies and outdated business models.”

What had happened in this short period of time?

Although the expression of an Energy Union as such is new, the idea behind it was the political concept driving three consecutive energy market liberalisation and integration packages, with the first Internal Energy Market package starting in 1998.

The European Climate Foundation (ECF) and partners have long been closely involved in framing the energy market integration and liberalisation debate, and developed substantial analysis on its benefits for accelerating the energy transition from an economic and security perspective. The ECF Roadmap 2050 report series acted as the analytical backbone for the network’s strategies on energy markets, RES integration, demand response and infrastructure. The ECF and partners such as Agora Energiewende, Cambridge Institute for Sustainability Leadership (CISL), Regulatory Assistance Project (RAP), Third Generation Environmentalism (E3G), and World Wide Fund for Nature (WWF) were therefore in a good position to contribute to analysis and dialogue concerning the content of the new European Commission priorities.

The outline of the initial Energy Union agenda still lingers, mainly supported by countries concerned by relations with Russia, but also gas producers like Norway, pushing for a somewhat myopic gas security strategy. The European Commission’s recently published energy security strategy shows the strengths of the forces in favour of a high-gas future in Europe, irrespective of the evidence that gas demand in Europe is in structural



decline. A report published by the ECF and its partners as part of a new series under the banner of “Energy Union Choices” shows how efficiency and electrification trends reduce the need for new gas infrastructure in Europe to close to zero.

The making of the Energy Union proves the importance of a persistent, long-term presence of a network equipped with a diverse skill set. The ECF and its partners successfully managed to align the Energy Union

political narrative and policy priorities with European decarbonisation goals. However, the devil is in the detail. Looking ahead a litmus test will be when the Commission is expected to file Energy Union legislation and cement the vision into law.

There are reasons to be optimistic. The December 2015 Paris Agreement supports the direction of the European Commission’s Energy Union agenda. Globally, societies are united in the aim to transition to a low-carbon economy and Europe’s Energy Union agenda is the vehicle to implement its Intended Nationally Determined Contribution (INDC). The EU has been battered with various crises, be it financial, Brexit or migration. The Energy Union is a field in which Member State cooperation really is a win-win.

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