Book addresses Europe's energy crisis

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Europe imports more than half of the energy that it consumes, and its supply is vulnerable to regional instability and economic shocks. In a major new book, Professor Rafael Leal-Arcas, shows how the creation of a European Energy Union might be an effective and viable solution to the energy security problems that the European Union (EU) is facing.

Can you explain what is wrong with European energy policy as it stands?

The European Union (EU) is energy-dependent and urgently needs to diversify its energy supply. I'm not alone in this belief. The EU is currently creating a European Energy Union. Let me give you two facts:

- The EU imports per cent of the energy that it consumes; and
- Six EU Member States depend entirely on Russia as a single supplier for their gas;

The Russia-Ukraine gas disputes of 2006, 2009 and 2014 show Europe's level of vulnerability. This has consequences for Europe's economy and quality of life. Imagine for a moment if any one of these suppliers were cut off. Therefore, the EU needs to urgently diversify its energy supply.

Why has there not been a meaningful move already towards a unified energy policy?

There are many complexities to EU energy security, including the plurality of actors in EU energy policy, the lack of an overall exclusive energy policy remit on the part of the EU authorities, and the disparity of energy interests among EU Member States. The current European energy policy is already half-way between individual policies tailored towards national concerns and a common energy policy based on integrated markets.

The plurality of actors and the variety of interests at play – for example, interests across the national-regional-universal spectrum and the public-private spectrum – mean that, at the global level, the achievement of global energy security becomes less feasible, and that no truly universal regime exists charged with the task of providing governance of energy

security.

What would a European Energy Union look like?

The EU is founded on five intertwined and mutually reinforcing pillars or dimensions:

1. security, solidarity and trust;
2. the finalisation of the internal energy market;
3. moderation of demand through energy efficiency;
4. the decarbonisation of the European energy mix; and
5. technologies, research and innovation.

The current plight of the European continent regarding energy security, characterized by the Russian stranglehold on energy supplies, makes the current situation untenable and calls for swift and decisive actions to tackle the issue once and for all. A myriad of multiple courses of action, both internal and external, have been suggested as a means to revitalise the EU's frail energy security. To that end, the European Commission has launched a, seemingly, very ambitious and daring initiative: a resilient European Energy Union.

At national level – are there polarised and competing views about this issue?

Indeed. Even within EU Member States, there is no unanimous view that the Energy Union is the best way forward. However, being the world's largest regional market and heavily dependent on other countries for its energy supply, the EU (and its Member States) need to find ways to secure their energy supply. Speaking with a single voice on the international scene has never been easy for the bloc. Yet it might be the most effective way for the bloc to enhance its energy security.

What is the likely impact of the Paris Agreement on the development of a European Energy Union?

One of the pillars of the European Energy Union is the decarbonisation of the European energy mix. On 12 December 2015, a new climate change agreement of legally binding nature was reached after an intensive round of climate talks that took place in Paris in the context of the UNFCCC. Stated in Article 2, the Agreement aims to keep the global average temperatures "well below 2 °C above pre-industrial levels" and also to "pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;" This ambition is in line with the EU's decarbonisation of the economy.

In a time when it seems as if the ideals of the EU are in retreat – is this an idea that can be achieved politically?

Energy has played a cardinal role in European integration since the EU's very inception. Indeed, the Treaty Establishing the European Coal and Steel Community, concluded in 1951 between the six EU founding Member States (Belgium, France, West Germany, Italy, the Netherlands, and Luxembourg) was a landmark agreement and an unprecedented instance of energy cooperation, which signified the effective outset of the EU. Nonetheless, as surprising as it might seem, energy may well be the only field in which the EU has shifted from an original fateful common drive to a more unassuming degree of integration, never being able to regain the audacity and shared vision of its founding years.

What are the likely regional impacts (Middle East particularly) of a move towards European Energy

Union?

With an Energy Union, the EU may become increasingly energy independent and energy-clean by making greater use of renewable energy. Moreover, the notion of a European Energy Union could be applied to other regions of the world, especially developing countries, which are in great need of achieving sustainable energy. For instance, the same way that the EU is currently using an Energy Union to decarbonise its economy by 2050, one could propose ways to create an African Energy Union, an Association of South-East Asian Nations Energy Union, or a Mercosur Energy Union to decarbonize the economies of those regions.

Where is the impetus for reform likely to come from?

Decarbonisation is the final and visionary goal of EU energy policy. The EU has traditionally conveyed the dashing resolution to lead the strife against climate change. In that sense, the EU shelters the hope that its example will whet other regions around the globe to follow suit. Such a grandiose aspiration will entail a new industrial revolution based on vanguard clean and low-carbon technologies which should presumably boost Europe's recovery from the economic crisis and launch the vital conversion to a more sustainable energy system.

To that end, the EU has set itself the ultimate objective of reducing GHG emissions to a towering 80-95 per cent below 1990 levels by 2050. This decarbonization aim will come at a cost, similar to a hotel analogy: a five-star hotel is much better, but more expensive, than a one-star hotel. By conceptual analogy, renewable energy is a much better, but more expensive, option to generate energy than coal.

More information: The European Energy Union: The quest for

secure, affordable and sustainable energy, is published by Claeys & Casteels. www.claeys-casteels.com/eu_energy_studies_8.php

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