

Coherent energy policy needed across EU

June 23 2016



Windmill. Credit: Universiteit van Amsterdam (UVA)

The need to maintain a stable and affordable energy supply, coupled with growing demands to switch to renewable 'green' sources, are placing increasing pressure on EU electric utilities. To help companies effectively juggle these multiple and often conflicting demands, policymakers should adopt a more coherent approach in their energy policy. These are the main findings of PhD research conducted by Francesca Ciulli, who will obtain her doctorate from the University of

Amsterdam (UvA) on Tuesday, 5 July.

The EU electricity sector has undergone radical changes in recent decades, largely as a result of diminishing government intervention and societal concerns about the economic, social and environmental sustainability of [electric utilities](#)' activities. These have caused substantial changes in the structure of the electricity sector and pose a challenge to very existence of utilities. In her dissertation, Ciulli throws light on this complex challenge, known as 'institutional complexity', by, inter alia, doing two case studies: one on German electricity supplier E.ON and the other on the effects of the Fukushima disaster on the EU electricity sector.

Unviable solution

In the case of E.ON, Ciulli analysed the way the German utility has addressed demands for affordability, environmental sustainability and security of supply since its founding in 2000. Her findings reveal that E.ON initially attempted to reconcile the three objectives by maintaining its fossil-fuel plants and, concurrently, increasing investment in renewables. Despite the practicality of this approach, however, the case signals that this solution may not be strategically viable in the long-run and may drive electric utilities to abandon key responsibilities towards the environment or society. 'The fact that E.ON assigned the duty of ensuring security of supply to an independent company, which is destined to be divested, highlights the risks for the European electricity system', says Ciulli. If the major electric utilities, which have been in charge of ensuring a secure and stable electricity supply for decades, abandon this duty, new actors need to take over this responsibility.

Fukushima disaster

Ciulli also looked at the effect of the 2011 Fukushima disaster on the nuclear energy strategy of utilities in Germany, France and the United Kingdom. Her research shows that the event forced companies like Électricité de France (EDF) and E.ON, which operated in multiple countries, to respond to complex and contradictory demands from governments in a short space of time. For the most part, the utilities' home governments played an important role in their eventual decision to continue or halt nuclear energy projects in EU countries. Ciulli: 'For example, the German government's decision to phase out nuclear energy was a key reason for German electric utilities' withdrawal from nuclear projects in the UK. In contrast, the French government renewed its support for [nuclear energy](#), which allowed EDF to continue operating in the UK.'

Coherent approach

According to Ciulli, EU policymakers need to adopt a coherent approach in the way they deal with multiple sustainable development objectives. 'We need consistency in the ways that sustainability issues are addressed, both across EU member states and between member states and the EU. This is especially important now that the transition from a European energy community to a European Energy Union has been initiated.'

More information: F. Ciulli, Institutional Complexity and Sustainable Development in the EU Electricity Sector. Supervisor: Prof. A. Kolk. Co-supervisor: Dr J.P. Lindeque.

Provided by University of Amsterdam

Citation: Coherent energy policy needed across EU (2016, June 23) retrieved 19 April 2024 from <https://phys.org/news/2016-06-coherent-energy-policy-eu.html>

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