Evolution of EU Energy Policy

Introduction: the energisation of European Energy Policy

Energy is a fundamental factor in the construction of European Union (EU) project. The deep interaction and cooperation among the founding members of the Union crystallised around energy considerations. The European Coal and Steel Community (ECSC) and European Atomic Energy Community (EURATOM) treaties not only established the roots of the European Community but also ensured regular supply of coal and coordination in nuclear energy. However, despite the importance of energy in daily lives, the European Energy Policy ultimately proved to be an unsuccessful example of integration (Pointvogl, 2009, p. 5704). In developments following ECSC and EURATOM, member states remained reluctant to create a common energy policy. To illustrate, the Maastricht and Amsterdam Treaties did not include chapters on energy and, instead, only mentioned this issue in passing (European Commission, 2000, p. 9). In the Treaty on EU, ‘measures in the spheres of energy, civil protection and tourism’ were lumped together and only Article 129b referred to energy infrastructures together with transport and telecommunication in the discussion of trans-European networks (European Union, 1992). The new Lisbon Treaty also included weak language on energy cooperation, but introduced a new legal basis for EU legislation in the field of energy as well as provisions for qualified majority voting in some areas of energy policy. The Treaty also brought forward an energy solidarity clause – namely, that EU energy policy needed to resonate with a spirit of solidarity between member states (Youngs, 2009, p. 26). In many ways, this weak form of integration is surprising, especially when considering the potential benefits of integration towards a common energy policy (Pointvogl, 2009, p. 5704).
Since the mid-1980s, the EU’s demand for energy has been increasing at a rate of 1–2 per cent per year, with the EU increasingly consuming more energy than it can produce. If the current trends continue unchecked, in the next 20–30 years non-EU products will constitute 70 per cent of the EU’s energy consumption – a situation that could lead to dependence on oil, gas and coal imports at levels of 90 per cent, 70 per cent and 100 per cent, respectively. This would leave all economic sectors from transport to industry vulnerable to variations in international markets (European Commission, 2000, pp. 2, 12, 20). Consequently, many issues revolving around energy-supply security have risen higher on the EU agenda. These include military and political conflicts in producer regions, diplomatic confrontations with supplier states, secure transportation of energy products and protecting investments in oil and gas production (Bahgat, 2006, p. 961). The energy issue has itself become further entwined with additional concerns over global warming and other environmental damage from energy production, transportation and consumption as well as the hazardous effects of certain energy types on health. Thus, addressing these health and environmental issues requires that the EU secure more than raw access to energy – it needs clean and efficient energy.

Member states are highly interconnected and operate in an interdependent energy market not only among themselves but also in international terms. Consequently, national approaches to the energy issue, as well as unilateral energy policy decisions to meet the aforementioned challenges, automatically affect other EU members. Uncoordinated national decisions concerning energy policy seem to have aggravated the Union’s overall vulnerability in energy. Yet, EU-level coordination and harmonisation of energy policies merely represent initial steps towards greater energy security. Self-sufficiency in energy is not a feasible option for the EU given the limited availability of domestic energy resources to meet the demand of its highly industrialised economy at its current standard of living (Ibid., p. 975). Hence, rising energy import dependency appears to be an ineluctable reality of the EU economy. The Union has tried to address its energy security via several policies, including encouragement of investments in renewable energy and broader diversification of its energy mix and repertoire of energy suppliers. However, the EU’s most successful attempts at dealing with its energy situation have occurred mainly as part of larger international efforts – either via multilateral regulatory institutions or on a bilateral basis with other producer states, transit countries and energy-importing nations – to address global energy and environmental trends.