# THE EUROPEAN ENERGY COMMUNITY IS NOW!



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n the eve of the European Council on 22 May dealing with energy issues, we publish a Tribune calling for the implementation of a positive agenda for the European energy policy and the definition of the concrete bases of a genuine European Energy Community.

While the European Council on 22 May 2013 will discuss the issues of European energy policy, and the President of the French Republic has again called for the establishment of a European Energy Community, it is important to clearly identify the main challenges in this context.

#### 1. A positive agenda for Europe

The European Union is a political construction which needs to submit positive projects to its citizens. While the crisis in the euro area focuses all the attention, a positive agenda is needed in the whole of the European Union, based on a handful of concrete projects and policies turned to an outside changing world. The European Energy Community is one such project.

The deep-seated changes impacting a European energy sector in a state of transition – concerning not only its structure and its competitiveness, along with the requirements of sustainable development – all carry a fully-fledged project for a European energy policy.

This project also has the merit of having a practical relevance to citizens and consumers, given the persistence of acute social problems linked to access to stable and affordable energy for all.

Energy transition also requires in-depth changes in society and in the way we produce, transport and consume energy. Its success implies as such the full participation of all the active forces of civil society in Europe.

## 2. An improvable record for Europe's energy policy

A great deal of progress has been made since 2007 towards a common European energy policy. But that progress has sometimes been achieved at the cost of

fragmentation of the Community framework and of a lack of transparency in certain European initiatives.

The reconciliation of the three major objectives of competitiveness, sustainable development and security of supply, and the lack of consensus on some basic aims still often face divergent or conflicting national approaches.

It is on the most significant advances that we must build. Sustainable development must be supported by a courageous and coherent energy transition, in line with the adoption of the major framework of common governance around the "3x20 by 2020" goals ( $CO_2$  emissions, renewable sources of energy and energy efficiency).

Another significant achievement is the way the EU has been pushing solidarity forward after the gas crises by setting up improved cooperation between states, institutions and market operators. Finally, the EU has recently revised its key instruments for the development of renewable energy sources, energy efficiency, infrastructures and their attendant funding.

But these progresses should not make us forget the risk linked to the current, worrying trend towards a forceful return to nationalism in the energy field in Europe, whether it be in the context of national energy transition processes clashing with one another, or unilateral approaches around the development of renewable energy sources and security of electric power supply.

Those unilateral national political decisions ignore the existing real interdependence with neighbouring countries, not consulted, and may destabilise the European energy system altogether, sometimes leading to unnecessary and costly investment for European citizens.



# 3. The concrete bases of a genuine European Energy Community

We are happy to note that the proposal for a "European Energy Community" has sparked a debate on a Europe-wide scale with the various decision-makers and players involved, whether public, private, associational, local, national or European.

Let us first recall that a European Energy Community need not lead to the creation of a supranational European authority making all the decisions, in particular regarding a European energy mix or the monopolistic centralisation of gas purchasing – both of these options being ruled out by the European treaties.

A European Energy Community must be built first and foremost on common and concrete steps regarding the three main aspects, as basis of the single market, which are the stimulating factor of competition among industrial players, the strengthening factor of cooperation among member states, and the uniting factor of European solidarity among all of the member states.

Where "the stimulating factor of competition" is concerned, it is by completing the integration of a competitive and integrated internal energy market of European dimension that industrial energy players will finally be able to become competitive on the European and international level, and that energy resources can be better optimised in the EU. EU member states themselves must take ownership of this process and implement it in good faith. When the development of the European energy framework for 2030 is at stake, the EU should learn from the new dynamics in place on the European and international markets since 2007. The energy situation in 2013 has drastically changed.

Where "the uniting factor of solidarity" is concerned, security of supply demands a common approach to the diversification of energy sources in a spirit of solidarity. This, in particular, because certain member states, which are still excessively dependent on a single foreign supplier, cannot manage to diversify their energy mixes. This involves developing the pooling of common supply capacities in exceptional

circumstances, what an interconnected market should allow, but also to negotiate at EU level the necessary framework agreements with suppliers and transit countries. The success of such a project would also illustrate further progress of the EU common foreign policy.

And lastly, where "the strengthening factor of cooperation" is concerned, we would argue the case for more differentiated integration among states in the energy field, on a regional basis, building on the strengths and weaknesses of each, and mandating cooperation between responsible national actors inevitable. Even though numerous initiatives exist, they frequently seem fragmented, with little support politically and poorly organised.

Political, economic and structural cooperation among neighbouring countries, a missing link in today's policy, would have energy infrastructures (transport, distribution, and also common planning) for its foundation stone. The new regulation on energy infrastructure provides an interesting framework that requires above all the political will of the member states for its implementation. If this cooperation proved successful, many others might follow, whether the joint funding of these infrastructures, ambitious research and development programmes, etc.

### Conclusion

Back in 1951, six European countries decided to pool their interests in two key areas of the economy in order to create a Community designed to replace conflict with cooperation and animosity with prosperity. Energy was one of those areas. Almost sixty years later, energy is still a major political and economic priority, of course, but the common rules permitting us to achieve the goals of our own era need to be further enhanced. It is up to us to reinvent those rules together, and they must be equal to the new challenges that Europe has to address. Vague formulas or barren proclamations will not be enough if Europe wishes its citizens to go on believing in its ideal.

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