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Energy policy needs more Europe: we call for a European Energy Community

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In spite of the progress made over recent years, the European Union's policy on energy issues has failed to achieve its main objectives: ensuring access to energy at reasonable and stable prices; maintaining the EU's industrial competitiveness; ensuring security of energy supply for all Europeans wherever they live; and promoting sustainable production, transportation, distribution, storage and consumption of energy, thus moving decisively towards a low-carbon society. These goals are shared by all, political leaders as well as civil society, from energy providers and businesses to trade unions, consumers and environmentalists. It is on how these objectives should be achieved that opinions differ.

The limitations of national energy policies have been proven, and yet there is no common European energy policy to overcome them. Despite promises made by many governments, energy prices have soared in recent years and, as a result, energy poverty is becoming more acute than ever. Last winter, between 50 and 125 million Europeans suffered from fuel poverty, be it in the form of disconnection, the threat of disconnection or the inability to pay bills. This has not been adequately addressed by the countries of the EU.

Member States are involved in such a tangled web of interdependencies that going it alone is no longer a viable option. As we have seen recently, European countries can make sovereign choices on energy supply (e.g. the phasing out of nuclear energy in some EU countries), but this comes at a price. Unilateral decisions increase the risk of divergence and can cause price hikes or swings in regional energy production and consumption, to name but two issues. Today, no single European country can, on its own, reliably provide its citizens with affordable energy.

We must put an end to short-sightedness. A united front is the only way for European countries to respond to people's concerns and ensure that Europe's interests prevail. Political will is obviously an issue, but it is not the only one. Firstly, the potential of the internal market has not been fully harnessed to improve energy security and provide the citizens with added value. Secondly, the Lisbon Treaty explicitly provides for solidarity between the Member States, yet it has remained a dead letter in the current institutional framework. Thirdly, the EU has no means either to finance actions of wide scope or to impose choices regarding energy sources. The annual EU budget for energy is paltry compared to the amount spent by Member States in this area. This seriously limits funding for common electricity and gas interconnections

and joint research in low-carbon energy. Providing the EU with independent and autonomous financial resources to finance projects of common European interest, especially those concerning renewable energies, is therefore vital. Fourthly, a topical and societal issue such as energy would normally warrant the full involvement of citizens. The absence of a structured dialogue between policy- and decision-makers and European civil society is a source of deep concern.

A new approach is required, one aimed at deeper integration and solidarity. The most ambitious and promising option is that of a fully-fledged <u>European Energy Community</u> to encompass all relevant economic, political and strategic aspects. This would entail the integration of energy markets, coordination of research policies, decisions on investment, solidarity mechanisms, and the need to speak with one voice on the world stage. All of this requires a forceful supranational approach.

Strong interim steps can be taken straight away, from further integration of national energy markets to the joint planning of networks by gearing energy policy towards consumers, to name but a few. For example, we call for the progressive "europeanisation" of the energy mix, which is necessary due to the increase in the share of renewable energies in national energy mixes. On energy choice and investments, Europe cannot afford to wait any longer, as major decisions on energy taken today will require decades of commitment. The progressive development of a European Energy Community has the potential to remobilise Europeans around a project which offers them clear added value. Above all, this will respond to the expectations and concerns of EU citizens reflected in recent opinion polls.

Given the all-encompassing impact of energy decisions, the public cannot be left out of the debate on the systemic transformations ahead. The *European Economic and Social Committee* and *Notre Europe* are urging that this debate take place at EU level and propose that a European civil society forum be set up to monitor energy issues. We call upon the European Commission to play a much greater role in shaping a coherent, credible and effective energy policy, laying the foundations for a European Energy Community. Purely national action on energy has become irrelevant, and a sustainable, resilient and forward-looking energy system can be best achieved at European level.