



European Economic and Social Committee

Report on the EESC Public Seminar

'Is Europe's Energy Sovereignty at Stake?'

Date: 13th March 2012, 14:30-17:00

Location: EESC, Room JDE 62, Brussels

The event documentation is available on the EESC website:

<http://www.eesc.europa.eu/?i=portal.en.events-and-activities-europe-energy-sovereignty>

Introduction:

Welcome and Opening Remarks:

Stéphane Buffetaut (Group I, Employers, France), President of the EESC Section for Transport, Energy, Infrastructure and Information Society

Introductory Presentation: '*European policy initiatives on external energy policy*'

Paula Abreu, Head of Unit, International Relations, DG ENER, European Commission

Introductory Presentation: '*National energy policy and relations with non-EU partner countries*'

Małgorzata Mika-Bryska, Head of the Economic and Trade Section, Permanent Representation of the Republic of Poland to the EU

Moderator

Jonathan Peel (Group I, Employers, UK), EESC Rapporteur on External Energy Agreements

Stéphane Buffetaut:

Mr Buffetaut opened the event by placing the seminar question in context, highlighting the EU's heavy dependence on external energy, primarily from Russia, and especially fossil fuel imports. He stated that the EU faces an enormous challenge to diversify and develop domestic energy sources so as not to rely solely on a single external geopolitical block. He noted that external supplies often derive from politically unstable areas bringing to light issues of security, supply and price fluctuation. He enforced that these questions of energy sovereignty are imperative to the EU, providing the rationale for the seminar.

Paula Abreu:

By way of introduction Ms Abreu stated that security of supply at competitive prices is crucial to achieving EU energy objectives. Although there have been repeated calls for the EU to be a united actor this has not yet been achieved. She continued by saying that we must ensure adherence to internal market principles, including by external partners. In reference to the 07.09.2011 European Commission (EC) Communication on security of supply and international cooperation Ms Abreu highlighted that the proposals will give support and certainty to investment decisions. Secondly, it was argued that EU partnerships with consumer countries and suppliers should be mutually beneficial, with strategic and political partnerships for long term relationships. She added that we need legal certainty for relations with Russia as well as continued efforts to open up the southern corridor. In addition, she noted that we cannot be surrounded by countries where there is energy waste; we need to promote the EU approach. Lastly, she advocated that external relations should go beyond securing steady flows of energy. She argued that we should address sustainable energy, international standards for energy technology and innovation. It was concluded that our scope needs to extend beyond the energy sector to find mutual links with other EU external policies such as trade.

Małgorzata Mika-Bryska:

Ms Mika-Bryska's presentation addressed the national energy policy of Poland in the context of the EU as well as an evaluation of the past Polish EU presidency. Rather than referring to 'energy sovereignty' she advocated speaking of dependency reduction. She elaborated that the energy sector has always been about national competency, hence the difficulty in practice of 'giving this up' for a united EU approach. She then highlighted the successes of the Polish presidency regarding energy and improving the safety of supplies. She concluded by referring to the Internal Market and enhanced production. She agreed that energy efficiency needs to be improved but argued that we also need national supplies so as to have a rational use of existing energy sources. Poland, Ms Mika-Bryska summarised, is in favour of developing renewable and alternative supplies of energy but it must be remembered that we have our own sources in Europe itself and that these also can be strong employment and competitiveness factors.

Questions and Answers:

Mr Peel acknowledged the problems of bringing Member States together and argued that collaboration is very much needed, especially in regards to the security of supply to avoid bottlenecks, price volatility and incoherence. In the debate, several EESC Members took the floor:

1. **Mr Fornea** (Group II, Employees, Romania) stated that Ms Mika-Bryska's position was quite in line with a number of Romanian trade unions and agreed with her position on making use of resources within the EU. He asked how she related her position to coal and complicated corresponding issues, particularly mining.
2. **Mr Cingal** (Group III, Various Interests, France) agreed with the principle of energy security but cautioned that environmental and health consequences should not be overlooked. He added that this is an issue that citizens are concerned with, chiefly regarding rules.
3. **Mr Adams** (Group III, Various Interests, UK) noted that we must address the dilemma of whether fossil fuels reserves will be used as part of the future energy mix, notably when there are still CO₂ storage problems. He asked that, seeing as some Member States, e.g. Poland, are heavily reliant on fossil fuels, should these countries not develop solutions to move away from this. In addition he asked whether a more constructive approach might be 'together solving dependency on fossil fuels'.

4. **Mr Páleník** (Group III, Various Interests, Slovakia) commented on Slovakia's energy position with key issues being east to west gas transit and supply. He wondered whether a balance can be ensured between existing capacities and the creation of new transit capacities, especially due to the scale involved.
5. **Mr Morkis** (Group I, Employers, Lithuania) asked what was meant by 'energy sovereignty' as we normally refer to energy security. He agreed that we must take an EU-wide approach as we are in a global economy with huge competition. However, he warned that there must be further investment in infrastructure for better facilitation and coordination.

Ms Abreu responded that we are in a situation where partners, specifically Russia, know the single agreements of EU Member States, and this can clearly create an imbalance. In reference to the energy dialogue with China she informed that the Commission president has agreed that 'energy security' should be included as a common issue. She added that the Commission's communication of 07.09.2011 is in full conformity with the overall EU energy policy and that the Commission is working on various fronts to make a healthy dependency with a balanced energy mix incorporating indigenous and diversified external sources.

Ms Mika-Bryska stated that coal is not a question of state support. She added that there needs to be more transparency surrounding nuclear energy, particularly as she argued against prejudiced judgements on certain forms of energy. She stated that Poland was against being expected to have further reductions, asking why there is not more global involvement such as from China or the USA. Addressing the question from Mr Adams, she asked how many products the UK imports and how this negatively affects the CO2 reduction figures.

Panel Discussion: 'What is at stake for European civil society?'

'Perspectives from the Energy Roadmap 2050'

Matthew Hulbert, Senior Researcher on Energy Security and Political Risk, Clingendael

'Which challenges for industry?'

Michel Matheu, Head of EU Strategy, EDF

'The trade union perspective'

Kurt F. Meier, Head of Unit European Institutions, German Mining, Chemicals and Energy Union

'Involving EU citizens in the in the debate on European energy sovereignty'

Sami Andoura, Senior Research Fellow, Notre Europe

Moderator

Pierre Jean Coulon (Group II, Employees, France), EESC Rapporteur on the European Energy Community

Matthew Hulbert:

Mr Hulbert opened by stating that the EC 2050 Roadmap is a big vision. Positively, he was in agreement with the 2050 Advisory Group not picking technology 'winners'. But negatively he referred to Member

State issues, such as the Polish rejection of the Roadmap. He stated that there are huge costs for grid upgrades as well as attitudes of NIMBY ("not in my backyard"), especially in Western Europe. He pointed to the large difference between reduction and consumption, noting that we must focus on the here and now. Subsequently he asked whether this is just an EU issue or rather a global one. He outlined that most producing states are not looking to the EU for security of demand, but rather to Asia. The US is also pursuing a policy of 'energy independence', developing unconventional sources such as shale gas. Within this context he argued that we can welcome a single united EU voice.

Michel Matheu:

Mr Matheu commenced by expressing his wariness of the concept of 'energy sovereignty' as industry cannot separate issues of sovereignty from the rest of the investment framework. He added that there is a triangle of sustainability, competitiveness and the security of supply. He called for further investment in research and development in collaboration with major industrial partners. Referring to EDF, the group has until 2020 to replace 40% of its workforce, so there is a need to maintain investments. Mr Matheu then put up the question what decisions should be taken to ensure investment security at an EU level. He remarked that it is difficult as there is no clear choice and that much is depending on which criteria is used. He advocated striking a compromise, as reflected in the Roadmap, which also focuses on 2030 and not just 2050. He concluded that the message to industry needs to be one of sustainability.

Kurt F. Meier:

Mr Meier contextualised energy as an increasingly trans-European problem within which it is not possible for one type of energy to be declared the most favourable. He outlined that we need growth in the EU energy market not just internally but also externally. He remarked that energy is a political as well as economic commodity. We need the supplies from Russia for industry and thus a pragmatic approach must be taken, weighing up the costs and benefits. As a trade unionist Mr Meier referred to the role of the workers and the fact that enterprise and consumers must be able to afford energy. There is a social component to energy and therefore the energy mix must be appropriate for both private consumption and enterprise. He articulated his belief that we are on the road to EU energy sovereignty. However, he added that this concept of sovereignty is quite abstract and must be seen as part of economic sovereignty which also includes and encourages worker participation.

Sami Andoura:

Mr Andoura began by welcoming the title of the event. He argued that we need to recognise two differing concepts: energy independence and energy sovereignty. Energy independence, he suggested, is unrealistic and would mean separation from the global stage. Energy sovereignty, on the other hand, means 'taking control of our destiny'. He stated that the political discourse has always been on a national level but with mounting energy links any decision at that level has an impact on neighbouring countries. He thus presented the key question as being how we manage our interdependence. He added that citizens have demonstrated interest and can be closely involved in energy issues, for example in energy efficiency, if the correct structures are in place. Lastly, Mr Andoura emphasised the challenge of accessibility and infrastructure that the EU is facing. He concluded that the EU needs flexible governance to overcome current approaches which are too fragmented. He made reference to the work of the EESC and Notre Europe to establish a forum to facilitate discussion and forward a more coherent EU approach (see <http://www.eesc.europa.eu/?i=portal.en.events-and-activities-european-energy-community-2012> for further reference).

Mr Coulon concurred that these are certainly areas in which citizens can be involved. Reference was made to the EESC Opinion *'Involving civil society in a European Energy Community'* (see <http://www.eesc.europa.eu/?i=portal.en.ten-opinions.20758>), of which he had been the rapporteur.

Questions and Answers and General Debate:

1. **Mr Krzaklewski** (Group II, Employees, Poland) stated that we must focus on the structure of sovereignty and the completion of basic infrastructure. He brought to light the missing energy bridge between Lithuania and the rest of Europe. He asked what we should do when countries we often buy from do not accord to Kyoto and other agreements.
2. **Mr Cigal** (Group III, Various Interests, France) questioned when lessons will be learnt from past mistakes and natural catastrophes and wondered what is currently holding us back.
3. **Mr Páleník** (Group III, Various Interests, Slovakia) emphasised that although we are reliant on energy suppliers we should remember that suppliers also need buyers.
4. **Mr Maciulevičius** (Group III, Various Interests, Lithuania) stressed that the way forward is to negotiate as one market, noting that sectors such as gas will become increasingly politicised.

Mr Hulbert noted that storage is a technical issue and the Roadmap was wise to hold back. He added that ICT and smart grid developments must be followed closely as well as the issue of structural dependence on Russia.

Mr Matheu added that EDF is in favour of interconnections to increase exports and to benefit the electricity sector. He concurred with past statements calling for infrastructural improvements as well as further research on renewable energy sources.

Mr Meier reiterated the importance of research in areas such as Nano technology and fuel cells.

Mr Andoura stressed the need to finalise the internal energy market, which has an external dimension, as well as establish transparency in areas such as capacity and supply contracts.

Conclusions:

Edgardo Maria Iozia (Group II, Employees, Italy), EESC Rapporteur on Security of Energy Supply and European Neighbourhood Policy

Stéphane Buffetaut, President of the EESC Section for Transport, Energy, Infrastructure and Information Society

Mr Iozia congratulated the rich and fruitful discussion reflective of the multiplicity of issues in hand. He accentuated that the bulk of the energy we are using now will not be affordable in the future, adding that we must embark on a balanced transition to diversify our energy sources. He highlighted that we must move forward in solidarity at the EU level with transparency and citizen involvement at every stage.

Mr Buffetaut drew the seminar to a close, thanking the speakers and audience whilst reminding all involved of the challenges we face.