

Introduction to the functioning of the EU from the energy policy perspective

ESS404 ENERGY POLICY OF THE EU



Lecture Outline

- ▶ **Milestones of EU integration**
 - ▶ **Institutions and their role in policy-making**
 - ▶ **Problems and issues**
- 

Milestones of EU integration

- ▶ **1950 – The Schuman Declaration**
French Foreign Minister Robert Schuman – plan for FR and DE to pool coal and steel production
- ▶ European unity is the key to peace

- ▶ **1951 – Treaty of Paris establishes European Coal and Steel Community ECSC – FR, DE, IT and Benelux**
- ▶ sets up institutional ground
 - ▶ High Authority – to manage the coal and steel industries (J. Monnet)
 - ▶ Common Assembly – a precursor of the European parliament
 - ▶ Council of Ministers – to counterbalance the supranational High Authority

- ▶ **1957 – Treaty of Rome creates EEC (common market) and Euratom (joint development of nuclear energy)**

Milestones of EU integration

- ▶ **Federalism vs. intergovernmentalism**
- ▶ **Horizontal and vertical integration, spillover-effect**
- ▶ **Enlargements:**
1973 – GB, DN, IE, 1981 – EL, 1986 – PT, ES, 1994 – AT, FI, SE, 2004 – SK, SL, CZ, PL, LT, LV, ES, HU, MT, CY, 2007 – RO, BG, 2014 – HR
- ▶ **Deepening the integration:**
- ▶ **1986 – Single European Act** – 1st. major reform of Treaty of Rome
 - Aimed to create single European market by the end 1992, QMV
- ▶ **1991 – Maastricht Treaty** – turns the Community into a Union
 - single currency, CFSP

Impending enlargement required EU to reform its institutions

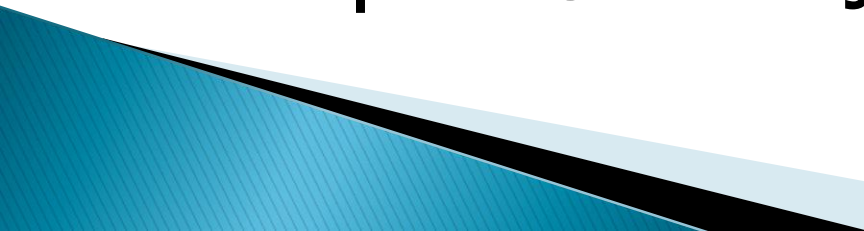
- ▶ **1997** – The Amsterdam Treaty
- ▶ **2000** – Nice Treaty
- ▶ **2004** – Constitutional Treaty (not ratified)
- ▶ **2007** – Reform Treaty – Treaty of Lisbon

Milestones of EU integration – Treaty of Lisbon

- ▶ move from unanimity to QMV in many areas + change in calculating such a majority – **double majority** (55% of countries, 65 % of EU population)
- ▶ **EP – more powerful** – ordinary legislative procedure
- ▶ **consolidated legal personality for the EU** – President of the EC and a HR of the Union for Foreign Affairs and Security Policy
- ▶ **Charter of Fundamental Rights** – legally binding

- ▶ **Energy policy**
- ▶ Title XXI, article 194 on Energy – functioning of the energy market; security of supply, energy efficiency and energy saving, development of new and RES, interconnection of energy networks, solidarity
- ▶ right to determine the conditions for exploiting national energy resources, choice of own energy mix

EU Institutions

- ▶ Unique institutional setup
 - ▶ **European Council** – broad agenda, leaders of EU
 - ▶ **European Parliament** – directly elected MEPs (751), represent citizens
 - ▶ **European Commission** – represents the interests of the EU as a whole, members appointed by member states' governments
 - ▶ **Council of the European Union** – defends national interests of member states
 - ▶ **European Court of Justice** – interprets EU law
- 

EU Institutions – Other bodies

- ▶ European Central Bank
 - ▶ The Court of Auditors
 - ▶ The EU Ombudsman
 - ▶ The Committee of the Regions (CoR)
 - ▶ The Economic and Social Committee
 - ▶ Various European agencies (EEA – European Environment Agency, ACER – Agency for the Cooperation of Energy Regulators, INEA – Innovation & Networks Executive Agency)
- 

European Commission

- ▶ **politically independent executive arm promoting general interest of the EU**
- ▶ **proposing and enforcing legislation, implementing policies and the EU budget**
- ▶ 28 Commissioners – 1 from each EU country –
- ▶ the President, 7 Vice-Presidents (including the First Vice-President, and the HR of the Union for Foreign Policy and Security Policy, 20 Commissioners in charge of portfolios
- ▶ Directorates-General (DGs), each responsible for a specific policy area
 - ▶ Energy (ENER)
 - ▶ Environment (ENV)
 - ▶ Climate Action (CLIMA)

Commission's role

- ▶ **Proposes new laws** for adoption by the Parliament and the Council
- ▶ **Manages EU policies & allocates EU funding**
 - ▶ spending priorities, annual budgets, supervision
- ▶ **Enforces EU law** (together with the Court of Justice)
- ▶ **Represents the EU internationally**
 - ▶ Speaks on behalf of all EU countries in international bodies, negotiates international agreements

Commission – legislative role

- ▶ **Green paper** (consultation) – **White paper** (statement)
- ▶ **Communication** – setting out a Commission action plan (may include concrete proposals for legislation).
- ▶ **Regulation** – once approved, immediately applicable and binding in all EU member states. No legislation is required at a national government level.
- ▶ **Directive** – a decision at an EU level is used to *direct* member state governments what to do. Directives specify the results to be achieved and the deadline, but not the form and methods of implementation
- ▶ **Recommendation** – similar to Directives but – no legal obligation (soft law)
- ▶ **Decision** – (by Council or Commission) apply specifically to one or more member states and are directly binding.

European parliament

- ▶ Directly elected EU body with **legislative, supervisory and budgetary** responsibilities, 751 MEPs
- ▶ Role growing in attempt to boost EU legitimacy
- ▶ **Party groups** play a key role – political affiliation
- ▶ **Legislative process:**
- ▶ **Committees** – to prepare legislation
 - ▶ each handling a particular policy area
 - ▶ examining proposals for legislation – amendments, rejections
 - ▶ Industry, Research and Energy (ITRE)
- ▶ **Plenary sessions** – to pass legislation – final vote on the proposed legislation and the proposed amendments

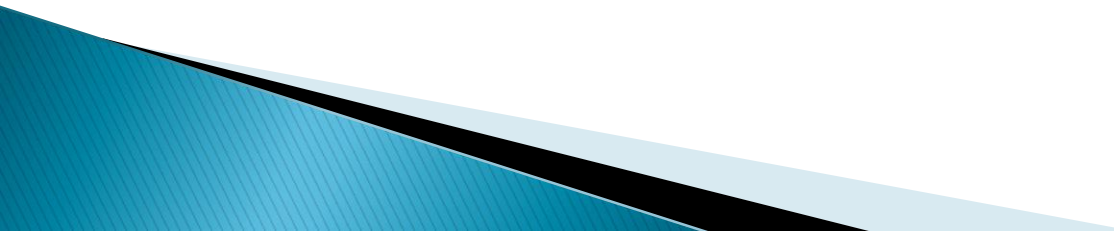
European parliament – role

- ▶ **Legislative** – passing EU laws, together with the Council, deciding on international agreements, enlargements, reviewing the EC's work programme and asking it to propose legislation
- ▶ **Supervisory**
 - ▶ Democratic scrutiny of all EU institutions
 - ▶ Electing the Commission President and approving the Commission as a body
 - ▶ Examining citizens' petitions, questioning EC and Council
- ▶ **Budgetary**
 - ▶ Establishing the EU budget, together with the Council
 - ▶ Approving the EU's long-term budget, the "Multiannual Financial Framework"

EP – legislative procedures

- ▶ **Ordinary legislative procedure** – gives the same weight to the EP and the Council on a wide range of areas (incl. energy and the environment)
- ▶ **Consultation**– EP may approve or reject a legislative proposal, or propose amendments. The Council is not legally obliged to take account of Parliament's opinion but it must not take a decision without having received it (i.e. CFSP)
- ▶ **Consent** – non-legislative procedure, usually applies to the ratification of certain agreements negotiated (i.e. enlargement)
- ▶ **Legislative initiative** –allows EP to ask the Commission to submit a proposal

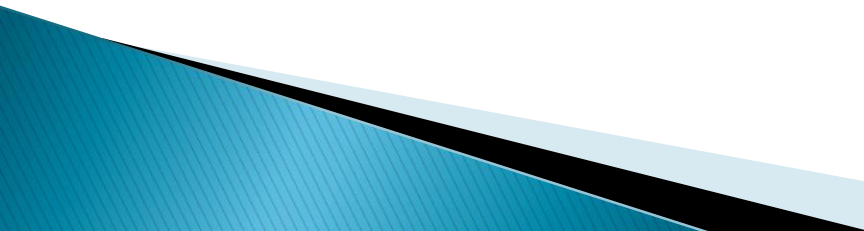
Council of the European Union

- ▶ Voice of EU member governments
 - ▶ Members: government ministers from each EU country, according to the policy area to be discussed – **10 different configurations**
 - ▶ Each EU country holds the **presidency** on a 6-month rotating basis
 - ▶ Together with the EP – **main decision-making body** of the EU
- 

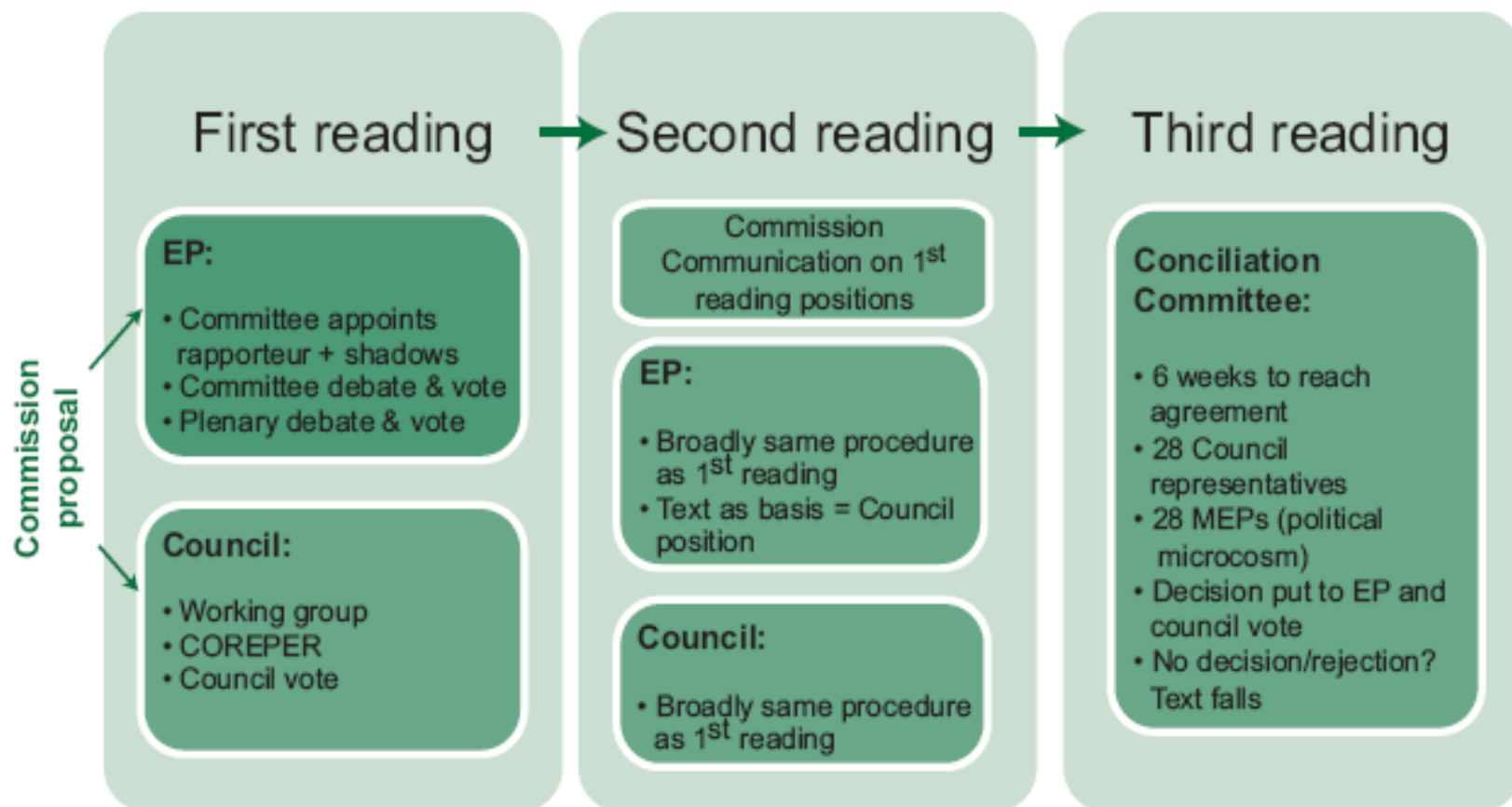
Council of the European Union

- ▶ **Negotiates and adopts EU laws**, together with the European Parliament, based on proposals from the European Commission
 - ▶ **Coordinates EU countries' policies**
 - ▶ Develops the EU's **foreign & security policy**, based on European Council guidelines
 - ▶ Concludes **agreements** between the EU and other countries or international organisations
 - ▶ Adopts the annual EU budget – jointly with the European Parliament
 - ▶ 10 different configurations – Environment Council (ENV), Transport, Telecommunications and Energy Council (TTE) on energy issues
- 

Council of the European Union

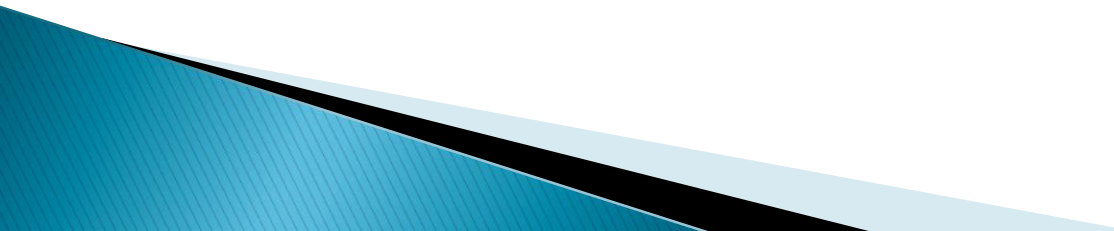
- ▶ decisions usually require a **qualified majority**
 - ▶ 55% of countries (with 28 current members, this means 16 countries)
 - ▶ representing at least 65 % of total EU population.
 - ▶ **To block a decision** – at least 4 countries (representing at least 35% of total EU population)
 - ▶ Exception – sensitive topics like foreign policy and taxation require a unanimous vote
 - ▶ Simple majority is required for procedural & administrative issues
- 

The ordinary legislative procedure



Informal discussions ("**trilogues**") between the 3 institutions throughout the procedure (usually)
Agreement possible **at any stage** of the procedure:
2009-present: 81% of legislation agreed at the first reading stage


European Council

- ▶ Defines the **general political direction and priorities** – but does not pass laws
 - ▶ Deals with complex or sensitive issues that cannot be resolved at lower levels of intergovernmental cooperation
 - ▶ Sets the EU's common foreign & security policy
 - ▶ usually meets **4 times a year**, generally decides issues by **consensus**
- 

European Court of Justice

- ▶ Ensuring EU law is interpreted and applied the same in every EU country, settles **legal disputes** between national governments and EU institutions
- ▶ ensuring countries and EU institutions abide by EU law
- ▶ **Court of Justice** – deals with requests for preliminary rulings from national courts, certain actions for annulment and appeals
- ▶ 1 judge from each EU country, plus 9 Advocates General
- ▶ **General Court** – rules on actions for annulment brought by individuals, companies and, in some cases, EU governments. In practice the court deals mainly with competition law, State aid, trade, agriculture, trade marks
- ▶ 1 judge from each EU country
- ▶ **Civil Service Tribunal** – rules on disputes between the EU and its staff – 7 judges

Problems and issues

- ▶ What is EU?
 - ▶ A political system, a federal super-state in the making? A complex system of multi-level governance?
 - ▶ The 'democratic deficit'
 - ▶ The complexity of governance
 - ▶ Economic and Monetary Union (EMU) – euro crisis
 - ▶ Common Foreign and Security Policy, Common Energy Policy (Common External Energy Policy)
 - ▶ Further enlargement? / Brexit?
- 

Thank you for your attention

