

01 A brief history of EEP

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What is energy policy?

A manner in which given authority addresses energy related issues: production, distribution, and consumption of energy.

It uses tools such as legislation, taxation, incentives to investments, guidelines for energy conservation, public policy techniques, international treaties, and more.

Periods of development

- 1) First common institutions (1950s and 1960s).
- 2) Oil shocks and energy security concerns (1970s).
- 3) Stabilization and formalization of EEP (1980s – 2000s).
- 4) Dominance of climate change issues (2010s to 2/2022).
- 5) Russia – Ukraine war => ?

European Coal and Steel Community (ECSC)

- Established in 1951/1952.
- Bel, Netherlands, Lux, Fra, It, West Germany.
- Idea of supranational organization with independent management (High Authority).
- Common market with coal and steel.
- Independence questioned by introducing Special Council (Council of Ministers), governments interferred frequently.

OECD – Europe: The overall energy consumption, in %					
	1950	1955	1960	1965	1973
Solid fuels	83	75	61	45	23
Liquid fuel	14	21	30	59	55
Natural gas	Less than 1	Less than 1	2	3	10
Hydro electricity	2	3	3	3	6
Nuclear	0	0	Less than 1	Less than 1	1

Euratom

- Established 1957/1958
 - To promote research and disseminate the know-how.
 - To establish uniform safety standards to protect the workers and public.
 - To facilitate investments developing the nuclear energy in the EU.
 - To ensure that all users in the EU receive a regular and equitable supply of ores and nuclear fuels – common supply policy.
- Weakened by the disputes between France on one side and Germany and Italy on the other.
- The current role is limited to safeguarding of nuclear materials, radiation protection, safety standards and practices of NPPs, building of ITER.

European Economic Community

- Established 1957/1958.
- To bring about economic integration, common market and custom union.
- Articles 30 – 37: removing of quantitative restrictions on import and export, regulation of state monopolies.
- Articles 85 – 94: regulates the relations between companies, state aid to business, limitation of monopoly behavior.

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Oil shock and supply insecurity

- Increasing dependence of the West on (imported) oil.
- Decreasing power of MNOCs.
- Weakened position of the US.
- OPEC.

Nationalization in the period of 1970 - 1974	
Saudi Arabia	0 % - 58,5 %
Kuwait	1,2 % - 55,1 %
Algeria	14,6 % - 76,9 %
Qatar	0 % - 60 %
UAE	0 % - 49,5 %

The first oil crisis

- Price of oil quadrupled, physical shortage of oil.
- Stagflation.
- Developing countries impacted even more.
- European Communities failed to address the crisis.

EC's role in the crisis

- 1968 'Community Energy Policy' - call for '*common energy policy ... to counterbalance risks of dependence on imports*'. – opposition from the Netherlands (Shell) and (after 73) from the UK.
- 72/425 directive imposing an obligation on MS to maintain minimum stocks of oil and oil products.
- 1975 attempt to restrict oil and gas use in power generation.
- 1977 – proposal to introduce crisis management measures – refused by the UK.
- 1981 development of an Energy strategy for Europe – EC accepted its limited role in this sector.
- 1986 to promote energy conservation and indigenous coal, limit combusting the imported fuels to produce electricity.
- 1987 – proposal for shared financing of common research on possible development of oil fields in EC – refused by UK.

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Revival of common energy policy

- In 1980s new problems emerged calling for a co-ordinated response.
 - Weak competitiveness of European industry due to an incomplete common market.
 - Climate change issue.
 - The collapse of the Soviet block.

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Treaty of Lisbon (2007)

- Head XXI: Energy (Art. 4 of Part I of the TFEU):
 - (a) ensure the functioning of the energy market;
 - (b) ensure security of energy supply in the Union; and
 - (c) promote energy efficiency and energy saving and the development of new and renewable forms of energy; and
 - (d) promote the interconnection of energy networks.
- = energy policy to be formulated in a spirit of solidarity between member states.
- = ordinary legislative procedure (co-decision) – shared competences.
- = MS retain exclusive powers in energy taxation and determining the energy mix.

Climate and liberalization packages

- Energy and climate package - 2020 (2009)
 - A 20% reduction in EU greenhouse gas emissions from 1990 levels.
 - Raising the share of EU energy consumption produced from renewable resources to 20%.
 - A 20% improvement in the EU's energy efficiency
 - EU ETS (2009/29/ES), CCS (2009/31/ES).
- Third liberalization package (2009)
 - Unbundling
 - Promotion of an internal energy market and the removal of restrictions to trade between MS.
 - ACER + ENTSO+E/ENTSO+G.
 - The protection of the consumers to be strengthened.

Energy as a climate issue

- 2015 Energy Union.
- 2019 Clean Energy Package (2030 targets).
- 2019 European Green Deal (set of policies to make EU climate neutral by 2050).
- 2021 European Climate Law (legally binding target of net zero greenhouse gas emissions by 2050; 55 % by 2030).
- 2021 Fit for 55 package.

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