The Energy Union: A New Policy Paradigm or a Revived Focus on Old Priorities? A Journey across the Internal and External Implications of Its Five Dimensions

Leonardo Zannier* and Federico Tarantini**

Abstract

The Energy Union represents an important initiative that can contribute to revitalising the economic and political integration within Europe. This article examines the rationale leading to the Energy Union Strategy in 2015 and provides an overview of the progress made since then. In particular, it illustrates the main legislative proposals adopted as a result of the strategy and it elaborates on how those contribute to the development of a secure, sustainable, and competitive energy system in Europe. At the same time, the Energy Union is not intended to be simply an inward-looking project, as it equally entails significant actions at international level related to the EU energy and climate agenda. In this context, the authors elaborate on the impacts that the Energy Union is having on existing and future cooperation with the EU’s partners. The article concludes on the way forward on the implementation of the Energy Union and on the remaining challenges towards its transformation into a new policy paradigm.

1 Introduction: The Birth of the Energy Union

The creation of an Energy Union is a central part of the European Union's (EU) strategic agenda set by the European Council in June 2014 and is one of the

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* DG Energy, European Commission.
** DG Energy, European Commission.

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key priorities in President Junker’s political priorities. On 25 February 2015, the European Commission came forward with a strategic framework and action plan for the Energy Union, with the aim to address the following three objectives: competitiveness, security of supply, and sustainability. To achieve these goals, the Energy Union has the ambition to maintain EU leadership in the ongoing transformation of energy systems and it requires a strong and joined commitment by both the European institutions and the Member States. The deepening of integration, cooperation, and coordination of both the external and internal elements of energy policy is thereby essential.

Once again, energy is a driver for European integration. Energy is today at the forefront of the political agenda of the Commission due to the convergence of a number of economic, environmental, geopolitical and institutional interests.

Already well before 2015, it was clear to both the Commission and Member States that only a more European approach would ensure effective and affordable solutions to rising global challenges posed by rapidly evolving and highly interlinked energy markets. Internationally, with the European Union likely to remain one of the largest importers of energy worldwide and a price-taker on energy markets, European consumers and companies continued to be strongly exposed to global price fluctuations of energy commodities. Domestically, the ageing energy infrastructure, the partial integration of domestic energy markets, and the lack of coordination of national energy and climate policies were additional factors to be addressed in order to reap the full benefits from the internal energy market. In parallel, increasing awareness on the impact of climate change, the ongoing energy transition, the rise of new energy sources, technologies and energy models were creating new challenges for traditional energy systems and existing business models, thus requiring action at EU level.

The latest geopolitical developments constituted a further challenge to the EU’s energy policy, notably under the energy security perspective. In 2013 and 2014, with the Russia-Ukraine crisis and renewed concerns of possible energy supply disruptions, it became very obvious that no single Member State would be able to ensure energy supply security on its own and that a reinforced partnership between the EU and its Member States based on solidarity and trust was necessary. On those bases, Member States and the institutions agreed, building on the sense of urgency caused by this crisis, to step up cooperation and solidarity in the energy area, de facto building another important pillar of the to be Energy Union.

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1 Leonardo Zannier, ‘Quadro Strategico per l’Unione dell’Energia’ Istituto di Studi sui Sistemi Regionali Federali e sulle Autonomie, CNR (2016).