

Energy Union, a new concept or the old one; some keys of interpretation

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Abstract

Energy Union is a concept that has its source in the founding treaties. Its understanding and definition must take into account the evolution of European law, up to date.

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Along with installation of the new European Commission after the 2014 elections, one of the strategic goals set forth and proposed, an absolute priority has been and it is that establishment of an Energy Union.

The action proposed covers several sectors of energy, include climate issue, and articulates on five directions: secure supplies, internal energy market, energy efficiency, emissions reduction, research and innovation in energy.

Thus European Commission expressed the view about energy policy through three strategic communications.

By communication COM (2015) 80 final has submitted "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy", with a goal of giving to EU consumers, households and businesses, secure, sustainable, competitive and affordable energy. [1]

To summarize briefly, it is revealed that in the face of current challenges, related also to dependence on imported energy sources with an emphasis on oil and gas, the existence of fragmentation of markets and a national approach by almost each Member State, energy markets are not functional. For this reason all these elements considered together must lead to a rethinking of the entire strategy in energy, and a fundamental change of thinking and design of the energy system in Europe have to erupt.

The Paris Protocol – A blueprint for tackling global climate change beyond 2020 it is the second communication relevant on this issue, COM/2015/081final, presented by European Commission.

In summary it is fixed a link between climate change and energy, setting a global framework, duties and obligations that must be followed by adoption a new climate agreement.

Translated the Commission working document it means:

1. Keeping global temperature increase below 2o C, a global mitigation scenario [2] ;
2.designing a dynamic Protocol; 3.transparency and accountability; 4. The Paris Protocol [3] (SWD (2015)17 final.

Finally “Achieving the 10% electricity interconnection target Making Europe's electricity grid fit for 2020”statement comprised by Commission communication COM/2015/082 final.

The road to an internal energy market is established and implemented, but the issue of its functionality, there is still working point. Having a financial and legal framework [4], there are premises for achieving this objective. Enhancing network interconnection is vital issue for the energy market. [5]

The three communications expressing an integrated package approach that aims to provide answers and solutions to serious problems in the energy sector and here it is envisaged primarily the problem of security of supply of energy.

Chronologically, policy statement on energy union has emerged from the political program proposed and assumed by the new European Commissioner Junker [6]

Subsequently, various professional associations, universities, politicians and businessmen have taken over and debated new policies on energy.

Notes that the first unequivocal positioning, critical pamphleteer but with goals and auspices for construction, clarification and conceptualization belongs to Professor Jean-Michel Glachant, Director Florence School of Regulation.

Also to be seen the Bruegel Institute, independent European think tank, with a synthesis paper “Elements of Europe's Energy Union” by Georg Zachmann.

Last but not least, it must be highlighted consistent and extended approach of Institute Jacques Delors-Notre Europe, by report "From the European Energy Community to the Energy Union. A policy proposal for the short and the long term."

These fundamental studies have tried to clarify and to detect the basis of the new European construction in energy, starting from the assertion that it is a lack of concept when we try to approach Energy Union [7] to identify a "Common energy policy that consists for the very least of the following policy measures: (1) a well-functioning liquid European energy market supported by (2) state of the art integrated networks, (3) corrected by price stabilization measures and (4) complemented by innovation policies(...).Only a (5) strong and financially independent Community or Union, (6) speaking with one common voice on the international scene(...) (7) its member states can count on each other in times of shortages." [8]

National standpoints also have to be indicated in the general debate on energy content. From the materials studied on the video catches, missing written reports, it appears that the actors in energy have more a takeover positioning of this concept rather than to be the nucleus of a real debate.

Romanian Senate adopted in this energy union topic, two political decisions Decision No.20 / 2015 entitled Report on the Working Program of the European Commission in 2015 and also, Decision No.41 / 2015 on the Commission Communication to the European Parliament, the European Economic and Social Committee and the Committee of the Regions - EU Energy package. Certainly a very active position compared to other players in the energy.

It should be underlined the importance of this issue by the role assumed by the European Council regarding the strategic direction and priorities in energy policy and climate issues, in 2014 and again in 2015.

It is a completely new approach in energy from the institutional point of view, and that shows the fact that on the one hand is giving a decisive boost in energy policy and on the other hand is an expression of a consistent political will at European level.

From our point of view we are not stand before a new concept. The construction of Europe today was based on the formation of a coal and steel markets, seen at that time, as elements of society development.

Even today we speak about energy market, but in the narrowest sense, it is considered just electricity and natural gas, as energy sources essential for the development of society. On the background there is no paradigm shift when we analyze the internal energy market.

Updating of the subject of Energy Union, placing in the foreground common policies, occurs as a result of energy security crises. A solving solution using tools of individual approach from Member States it seems that is not enough, and anyway, would undermine the entire internal market principle.

Another element that led to the deepening of this theme it is linked to the concept of solidarity, a key concept that historically it belongs to the Treaty establishing the European Community.

Its definition is necessary, needed, both from the legal and from practical perspective.

We consider also that the approach it from the perspective of the common foreign and security policy has proved poor, without succeed, at the present time and it seems necessary to introduce a specific element, namely Energy Union.

The content of Energy Union, its elements, are aspects that are today in the debate. The problem that we see is in which way we reconcile a competitive internal market with a regulated internal market. Last it appears to be necessary in consideration of at least two issues: energy poverty and security of supply.

And when you approach a regulated market, on the one hand we consider fixed prices and on the other hand not as an element against a market liberalization process.

Another approach is the one from the national regulatory authorities. The legislative package no. 3 in energy hardened and grounded legal greater autonomy and independence. Energy Union project aims to strengthen the Agency for the Cooperation of Energy Regulators (ACER) by " EU-wide regulation of the single market should be strengthened, through a significant reinforcement of the powers and independence of ACER to carry out regulatory functions at the European level in order to enable it to effectively oversee the development of the internal energy market and the related market rules as well as to deal with all cross-border issues necessary to create a

seamless internal market.”(COM/2015/080 final) and exemplified as argument with the case of new interconnection infrastructure.

The Agency's role is one that must be correctly analyzed from the perspective of competence laid down in the Treaties of the Union, and its autonomy in relation with the Commission itself. On the other hand, as is the case in Romania, where there is a beginning of the road in terms of autonomy and independent national authority, in a hybrid energy market, it is difficult to estimate if a regulatory and monitoring "at the Center" offers appropriate solutions, responding and accuracy.

In this issue at European level, with a delay in time, it was implemented a legal solution for transparency and integrity of energy markets, Regulation REMIT [9], which in our opinion has encountered serious reserves in its implementation within the Member States.

The road was opened; the solutions can only come from a real debate, open, transparent and professional. Its outcome will have a direct impact on all, either households or commercial clients.

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- [2] The 2030 Policy Framework¹ confirms the EU's firm commitment to lead by example in tackling climate change. It sets out a binding, economy-wide domestic reduction target of at least 40% greenhouse gas (GHG) emissions below 1990 in 2030
- [3] All members of the United Nations Framework Convention on Climate Change (UNFCCC) have agreed to adopt a new international climate change agreement in December 2015. Before then, they will set out their proposals on cutting emissions of greenhouse gases. G20 and high and middle income countries are expected to publish their proposals by the end of March 2015.
- [4] Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013, on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and

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[5] "An interconnected European energy grid is vital for Europe's energy security, for more competition on the internal market resulting in more competitive prices as well as for better achieving the decarbonisation and climate policy targets which the European Union has committed to. An interconnected grid will help deliver the ultimate goal of the Energy Union, i.e. to ensure affordable, secure and sustainable energy, and also growth and jobs across the EU. There are missing interconnection links between several countries. Building these interconnections will require the mobilisation of all efforts at all levels, as a matter of urgency, to achieve the common objective of a fully functioning and connected internal energy market." Quotation from communication of the Commission.

[6] "I therefore want to reform and reorganise Europe's energy policy into a new European Energy Union." Political guidelines of candidate Jean-Claude Juncker, opening statement in the EU Parliament Plenary Session, Strasbourg, 15 July 2014

[7] Interview with Professor Jean-Michel Glachant, <http://www.energypost.eu/interview-jean-michel-glachant-get-energy-union-need-new-institutions/>

[8] "Towards a European Energy Community: a policy proposal", pg.117, Studies and reports by Sami Andoura, Leigh Hancher and Marc Van der Woude, Institute Notre Europe March 2010

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