

Energy and climate – What is the new European Commission thinking?

Annika Hedberg

A visible change of priorities and re-structuring of portfolios in the new European Commission have raised questions about related policy implications especially for climate and energy policies. On the one hand, it is seen that the new structure with Vice Presidents as team leaders for groups of Commissioners could encourage much needed policy coordination between policy areas, such as climate and energy policies. At the same time there are questions over what this could mean for political priorities, to what extent the Vice Presidents will be able to guide policy-making and how responsibilities will be divided. No matter what the structure of the Commission, it is in the EU's interest to ensure that its climate and energy policies form a framework for action that helps to reduce global emissions, fight climate change locally and globally, secure energy supplies, promote wider socio-economic interests and increase competitiveness – all at the same time.

Energy Union – a top priority...

It is clear that promoting a common EU energy policy will become a key priority for the new Commission. There will be a Vice President for Energy Union and a Commissioner for Climate and Energy. The Vice President will be heading a project team called "A Resilient Energy Union with a Forward-Looking Climate Change Policy". The team will be made of 13 Commissioners of whom seven will form the core group, including Commissioners for Climate Action and Energy; Transport and Space; Internal Market, Industry, Entrepreneurship and SMEs; Environment, Maritime Affairs and Fisheries; Regional Policy; Agriculture and Rural Development; and Research, Science and Innovation. Having half of the college of Commissioners contribute to promoting an Energy Union is a significant development and a strong signal also for outside world.

The strong focus on energy is a welcome development. The EU has a common energy policy on paper, but its implementation has remained weak. European energy policy has been undermined by an internal challenge: a patchwork of national mini-markets and lack of political cohesion and solidarity, well reflected in some Member States' bilateral energy deals with Russia. The recent Russian aggression in Ukraine has led to an increased interest in common energy policy and energy security, and there is a growing awareness that the EU cannot continue to rely on one main energy supplier, which is prone to use energy as a political tool.¹

The EU's energy policy has been built on the objective to achieve sustainable, secure and affordable energy for Europeans. This objective is promoted through two main pillars of action: finding ways to enhance energy security and ensure that energy supplies are uninterrupted and energy prices remain stable, and creating and promoting a climate and energy framework that would make the EU's economy and energy system more competitive, secure and sustainable.

While it is not yet fully established what an Energy Union could entail, the following elements should be part of the agenda. 1) Europe needs a truly integrated energy market that will increase efficiency in the distribution and use of energy, thus security of supply. 2) There is a great potential in developing greener sources of energy, however, the first

¹ For more information, see A. Ahtonen, EPC Commentary [Russian belligerence and Europe's energy security](#) (2014)

step should be to create a functioning smart grid that will integrate both existing and new renewables in the electricity network. 3) Diversifying the EU's energy supply and reducing its dependence on one main supplier for oil, gas and coal will require finding alternative sources of energy internally and externally. 4) Increasing energy efficiency across the EU would not only help to decrease dependency on foreign energy imports, but would also reduce energy costs for consumers and bring down EU emissions. 5) Europe needs to ensure that political and investment decisions contribute to creating a more sustainable energy system.

... but not at the expense of climate, environment and health

Developing an Energy Union must be built on forward-looking, sustainable policies and practices. There has been notable public concern that the mission letters to Vice Presidents and Commissioners as well as the proposed structure for the Commission prioritise growth and competitiveness at the expense of climate, environment, and health considerations. It should be recognised that these do not have to be contradictory objectives. In fact, it is in the EU's interest to ensure its policies, including energy and climate policies, contribute to creating a sustainable, greener economy that is built on smarter use and better management of resources and mitigating climate change.

The benefits would be manifold. Reducing air pollution can bring enormous health benefits that have direct impact on the economy. Increasing energy efficiency and reducing energy demand bring down energy bills. Low-carbon, energy-efficient solutions benefit consumers, society and the environment. Scaling-up solutions for which there is demand also outside the EU will profit industry and create jobs. It is in the EU's self-interest to pursue these agendas together, in a smart way, to improve both Europe's economic prospects as well as the well-being of its citizens.²

Ensuring adequate climate action

While promoting climate and energy policies together can bring co-benefits and help to create a more coherent framework for action, there is a risk that combining these policies under a Commissioner rather than a Vice President will lead to marginalisation of climate action. The fears have been aggravated by the profile of the Commissioner nominee, who has been attacked for his links with oil companies. While the title of the Vice President for Energy Union fails to recognize the potential with ensuring that energy policy contributes to development of a sustainable, low-carbon economy, it is from this position that climate considerations and actions can and should be mainstreamed across policy sectors.

As questions remain how responsibilities will be divided, it should be recognised that merging climate and energy portfolios is a lot for one Commissioner to handle. It is unlikely that a Commissioner for Climate Action and Energy could invest sufficient time in developing an Energy Union with its internal and external complexities while at the same time engaging in international climate negotiations. As a result, the main responsibility for practicing climate diplomacy should be given to the EU High Representative and the European External Action Service (EEAS). The EU foreign ministers have already given the EEAS a mandate for climate diplomacy, but implementation has remained weak. The EEAS together with the EU delegations have the networks and the resources, and they should become key players in the effort to achieve a global climate agreement by 2015.

The evidence exists. The resources are there. It is for the European Commission to show the way and help the EU to concretise the economic, social and environmental benefits that come from promoting smart and forward-looking energy and climate policies.

Annika Hedberg is a Senior Policy Analyst at the European Policy Centre (EPC).

Disclaimer: The views expressed in this Commentary are the sole responsibility of the author.

² For more information, see A. Ahtonen, EPC Commentary [The 2030 framework on climate and energy - Getting Europe on the right track?](#) (2014)