

## It was the best of times, it was the worst of times - Opportunities and challenges of European Energy and Climate Policy

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By Christina Wunder

The new Commission President Jean-Claude Juncker held his opening statement before the European Parliament on 15 July 2014,<sup>1</sup> presenting the tasks he seeks to tackle in the next five years. Out of ten priority areas, the third one is the task to create a “Resilient Energy Union with a Forward-Looking Climate Change Policy”. Making this issue one of the top priorities certainly sends a strong political signal. But can it deliver the much-needed results? Will the appointed Commissioner for this combined portfolio, Miguel Arias Cañete, be able to tackle the challenges arising in the next five years?

In his mission letter to Miguel Arias Cañete, the President outlined his expectations from the newly designated Commissioner for Climate Action and Energy. Commissioner Cañete will mainly report to and liaise with Vice President for Energy Union, Maroš Šefčovič.<sup>2</sup> Juncker seeks to rise up to the current challenges by clustering portfolios, and thereby increasing the dialogue inside the College of Commissioners, as well as by strengthening European integration among the Member States, as he states: “We need to pool our resources, combine infrastructures and unite our negotiating power vis-à-vis third countries. If the price of energy from the East becomes too expensive, either in commercial or political terms, Europe should be able to switch swiftly to other supply channels. We need to be able to reverse

energy flows when necessary.” He goes on to demand a significant increase of renewable energies and energy efficiency in Europe. What used to be two separate portfolios,<sup>3</sup> are now merged into one again.

This newly combined portfolio Climate Change and Energy was indeed a widely discussed and heavily criticised novelty. In an open letter to the new Commission President,<sup>4</sup> the Greens/European Free Alliance voiced their concern about this reshuffling of responsibilities: “It is hard to see this as anything other than a further downgrading of the EU’s commitment to climate action at a crucial juncture. It is clear that the EU’s energy policy needs to be designed in a way that ensures it can help the EU meet its climate change goals. However, climate policy goes far beyond energy policy, and should not just be an afterthought for an energy commissioner.”

Such criticism seems justified, as a variety of scenarios are conceivable, where the interests of a forward looking climate Commissioner could oppose those of an energy Commissioner – the latter will always be interested in low energy costs and security of supply, over low CO<sub>2</sub>-emissions. In Juncker’s reasoning however, the areas of energy and climate have become inseparable from each other and offer important synergy effects: his goal is to significantly increase the share of

renewable energy in Europe, while at the same time improving energy efficiency, especially in buildings.<sup>5</sup> Implemented successfully, these two areas could indeed deliver significant results. For example in 2011, electricity and heating accounted for almost half of the world's CO<sub>2</sub>-emissions<sup>6</sup> – significant progress in this field could already render good results.

However, to unlock this potential, Miguel Arias Cañete will have to be a Commissioner who is very well connected, who has the authority and the necessary political leverage to convince the rest of the College of his cause. With a one-sided approach it will not be possible to achieve what is needed. The creation of a European Energy Union will only be possible, if all parties concerned work in unison. At the same time, an effective climate policy will have to take into consideration and positively shape many different fields of action, be it energy, mobility, or industry. President Juncker noted rightly: “This is not only a matter of responsible climate policy. It is, at the same time, an industrial policy imperative if we still want to have affordable energy at our disposal in the medium term.”<sup>7</sup>

Indeed, as the issue of energy and climate spans so many different fields and portfolios, it is crucial that the new Commissioner be a person, who seeks a multilateral dialogue within and outside of the Commission; it will be mandatory to have a courageous Commissioner, who is enthusiastic about climate policy – and does not lose sight of it, while working towards achieving an energy union. At the 6th Atlantic Council Energy and Economic Summit in Istanbul on 20th November 2014,<sup>8</sup> Cañete stated “when it comes to them [renewable energy and energy efficiency], one key aspect of the 2030 Climate and Energy Framework is flexibility; the 2030 targets for renewables and energy efficiency are not translated into nationally binding targets, unlike the 2020 targets [...]”. It will be crucial that “flexibility” does not

translate into “laissez-faire” in the political reality of implementation.

Success in the field of energy union and climate action depends on how Commissioner Cañete positions his motivations and priorities: should energy policy be a lever for a successful and sustainable climate policy, or will climate policy “be an afterthought of an energy commissioner”?

In the first quarter of 2015, the Commission will publish a first paper setting out the details of an energy union. This, and of course the outcomes of the highly crucial 2015 UN climate conference in Paris, will shed some more light on Commissioner Cañete's priorities and goals as well as the likelihood of success.

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1. [http://ec.europa.eu/about/juncker-commission/docs/pg\\_en.pdf](http://ec.europa.eu/about/juncker-commission/docs/pg_en.pdf) (last retrieved on 09.12.2014)

2. [http://ec.europa.eu/commission/sites/cwt/files/commissioner\\_mission\\_letters/arias-canete\\_en.pdf.pdf](http://ec.europa.eu/commission/sites/cwt/files/commissioner_mission_letters/arias-canete_en.pdf.pdf) (last retrieved on 09.12.2014)

3. In his second term of office in 2010, José Manuel Barroso created the new DG for Climate Action; see: [http://ec.europa.eu/commission\\_2010-2014/mission\\_letters/pdf/hedegaard\\_climate\\_en.pdf](http://ec.europa.eu/commission_2010-2014/mission_letters/pdf/hedegaard_climate_en.pdf) (last retrieved on 09.12.2014)

4. [http://www.greens-efa.eu/fileadmin/dam/Documents/Letters/Letter\\_to\\_President\\_Juncker\\_Sustainability\\_26\\_09\\_14.pdf](http://www.greens-efa.eu/fileadmin/dam/Documents/Letters/Letter_to_President_Juncker_Sustainability_26_09_14.pdf) (last retrieved on 09.12.2014)

5. [http://ec.europa.eu/commission/sites/cwt/files/commissioner\\_mission\\_letters/arias-canete\\_en.pdf.pdf](http://ec.europa.eu/commission/sites/cwt/files/commissioner_mission_letters/arias-canete_en.pdf.pdf) (last retrieved on 09.12.2014)

6. World: 48,4%; Germany 46,9%; see: <http://www.factfish.com/de/statistik/co2%20emissionen%20von%20eletrizit%C3%A4t%20und%20w%C3%A4rmeerzeugung%20von%20gesamt> (last retrieved on 09.12.2014)

7. [http://ec.europa.eu/about/juncker-commission/docs/pg\\_en.pdf](http://ec.europa.eu/about/juncker-commission/docs/pg_en.pdf) (last retrieved on 09.12.2014)

8. <http://ec.europa.eu/avservices/video/player.cfm?sitelang=en&ref=I095335> (last retrieved on 08.12.2014)