

Energy security in Europe^[de]

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Calls for a European energy policy that simultaneously guarantees security of supply, environmental performance and competitive prices present an "unsolvable equation" and risk leading to ineffective responses, warns Jan Horst Keppler, in an April 2007 paper for the French Institute of International Relations (IFRI).

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For Keppler, the main problem at the moment is that Europe wants it all – high security of supply, a high level of environmental protection, and low energy prices. The absence of discussion of the role of energy prices in the security of supply debate is of particular concern to him.

Establishing a realistic and effective energy policy will initially require European stakeholders – energy experts and media, industry and political figures – to sit down and negotiate a trade-off between these objectives, insists Keppler. On this basis, better harmonisation of the Union's internal policy and its policy towards external actors should develop.

Concerns over security of supply have arisen for a number of reasons. According to IFRI, the most significant are the tripling of dollar petrol prices, Russia's interruption of supplies to Ukraine and Belarus, tensions in the Middle East and the war in Iraq, the creation of the emissions-trading scheme, a renewed reliance on nuclear power in Europe and an increase in Europe's reliance on outside imports.

Though the increase in prices is sudden and unexpected, IFRI argues that other factors are not being discussed enough in Europe – such as the growth in European gas consumption and the stagnation of Russian gas production due to lack of investment.

In response, IFRI advise initially setting aside reserves of petrol and gas to stabilise the market after shocks, imposing heavier taxes on imported energy – particularly petrol – and further diversifying energy sources.

Keppler suggests creating "European energy champions", capable of playing a decisive role in world energy markets. Such 'champions' would provide a better level of European representation in major international projects, such as the pipeline linking Europe to the Caspian.

Keppler also suggests that the EU should create a regulator for the electricity and gas markets, further integrate supply systems, include the transport sector in the carbon-trading scheme and increase investment in gas infrastructure. He also recommends reducing taxes on capital and labour and increasing tax on energy.

Favouring a multilateral approach to energy security, Keppler believes that the EU should seek to strengthen the efforts of international organisations, such as the International Energy Agency, the World Bank and the UN.

Keppler concludes that reaching an acceptable compromise will require further harmonisation between national and EU-level energy policies, and the creation of a multilateral system of energy exchange.

- [IFRI - Institut Français des Relations Internationales](#)  La sécurité des approvisionnements énergétiques en Europe : principes et mesures (in French)

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