

Editorial

Towards Decarbonization: Understanding EU Energy Governance

Kacper Szulecki * and Dag Harald Claes

Department of Political Science, University of Oslo, 0851 Oslo, Norway; E-Mails: kacper.szulecki@stv.uio.no (K.S.), d.h.claes@stv.uio.no (D.H.C.)

* Corresponding author

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Abstract

This editorial introduces the thematic issue “EU Energy Policy: Towards a Clean Energy Transition?”, nesting it in broader discussion on European Union’s (EU) energy policy. For over a decade, the EU has displayed an interest and political motivation to integrate climate policy priorities into its energy governance. However, the history of European energy governance does not start there, though political science scholarship has tended to downplay the importance of energy sector regulation. Recent years have finally seen the merging of two distinct research programs on European energy politics, and the emergence of a more inclusive and historically accurate approach to energy governance in Europe. This thematic issue follows that new paradigm. It is divided into three sections. The first investigates the EU Energy Union, its governance and decarbonization ambitions. The second section looks at the increasing overlaps between energy and competition policies, particularly the role of State Aid Guidelines in influencing energy subsidies—for renewable as well as conventional energy. Finally, the third section analyses the energy and climate policy of “new” EU members and the relationship between the EU and non-members in the energy sector.

Keywords

climate policy; decarbonization; electricity; energy policy; energy transition; European Union; governance; public policy; renewable energy; state aid

Issue

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Energy policy in Europe is receiving increasing attention as an area of contested competence between the European Union (EU) member states and the European Commission. Already before the United Nations climate summit in Copenhagen in 2009 and more fundamentally around the 2015 Paris summit, which brought a long awaited global climate agreement (Bang, Hovi, & Skodvin, 2016), the EU has been perceived as a climate policy champion, and a leader in renewable energy ambition (Oberthür & Roche Kelly, 2008). Although that perception is debatable (Wurzel, Connelly, & Liefferink, 2017), the political motivation to reform the energy sector with decarbonisation in mind is visible in EU legislation from the 2020 Climate and Energy Package, the 2030 Climate and Energy Framework to the recent Energy

Union and the “Clean Energy for all Europeans” package (also known as “Winter Package”) of 2016.

These developments are attracting increasing attention in political science research. Although energy was an element of the EU’s dual root—the 1952 Coal and Steel Community and the 1958 European Atomic Energy Community—the dominant opinion until recently was that the EU does not have a common energy policy in the strict sense, and therefore there is nothing to research about. Nevertheless, two parallel but largely unrelated research programs have been, for some time, drilling into the matter from two sides. On the one hand, scholars in International Political Economy (IPE) and International Relations (IR), interested in energy security issues, have increasingly begun to inquire about EU’s insti-

tutional setup, capacity and power to influence the fossil fuel sector, most importantly gas supplies. On the other hand, scholarship originating in environmental politics became interested in EU energy policy through climate policy. As these two programs are finally beginning to interact, the late realization occurs that while indeed there was little *energy policy* on the EU level until recently, the history of European *energy governance* started long before 2009. Our thematic issue shows that these new or rather different analytical lenses can indeed help us see much more clearly how the energy systems in Europe are steered—both in more empirical detail, and with more historical accuracy. Paul A. Van Baal and Matthias Finger (2019) show in their contribution to this issue that energy governance in Europe—across borders and with the aim of transnational coordination—can be traced back as far back as the 1951 Union for the Coordination of the Transmission of Electricity. The growing historical research on European energy systems, particularly the electricity grid, suggests that transnational governance and cross-border coordination preceded national regulation (Lagendijk, 2008; Schot & Lagendijk, 2008). In a way, we are returning to the roots obscured by a statist paradigm, which dominated in the thinking about (electric) energy generation between the end of World War II and the beginning of market liberalization in the 1990s.

Governing the common European energy system is of course a tall order, and the analysis of these efforts is as complex as it gets. The magnitude of aspects, dimensions, dynamics, actors and institutions, at various analytical levels, is immense. This thematic issue provides contributions that reflect this complexity, but still speak to each other and the present amalgamation of energy and climate policy in the EU. Likewise, the contributions reflect the interconnection between studies of how the Union meets its energy security challenges from the IPE/IR tradition and those interested in EU as a public policy machine, with attached actors and institutions.

This thematic issue revisits the question of EU energy and climate policy beyond 2020, which was raised at the conference “The 2020 Strategy Experience: Lessons for Regional Cooperation, EU Governance and Investment” held at DIW Berlin in June 2015 (Szulecki, Ancygier, & Neuhoff, 2015). Back then, the “Energy Union” was still an empty vessel to be filled with content, and the incoming Juncker Commission’s energy policy still difficult to foresee (Szulecki, Fischer, Gullberg, & Sartor, 2016). As time went by, the Energy Union’s direction, possible policy impact and the actual nitty gritty details of the governance mechanism began to materialize, and received increased scholarly attention (Fischer, 2017; Ringel & Knodt, 2018; Siddi, 2016).

The first of the three sections in this issue looks at the different aspects of the Energy Union and EU’s energy and climate policy in the 2030-time horizon. Sebastian Oberthür’s (2019) contribution looks back at the 2030 Framework, adopted in October 2014, and compares it with the earlier 2020 Framework as well as the parallel

Paris Agreement on the axis between “hard” and “soft” governance. After it was adopted, the 2030 Framework was criticised as “too soft” because its renewable energy targets are not binding on the national, but only EU level. To deal with this, the original Framework pointed to its “governance mechanism” which was to be worked out later, building on member state peer review and policy surveillance by the Commission. As Oberthür (2019) shows, with the Energy Union’s governance regulation in place, the 2030 Framework is much “harder” than was previously believed, scoring high on four criteria of governance bindingness and stringency. However, how the available tools are used will depend very much on the incoming Commission which will take over in 2019.

If back in 2015 the Energy Union appeared to be a rather vague idea, waiting to be forged into a concrete agenda but also potentially able to reconcile the divergent interests of Member States, it has since become much more concrete. The article by Karoliina Isoaho, Fanni Moilanen and Arho Toikka (2019) uses a big data analysis of policy documents to show that the Energy Union is no longer a “floating signifier”, but has a clear decarbonization agenda, which dominates other energy policy dimensions.

The article by Jale Tosun, Laura Zöckler and Benedikt Rilling (2019) provides an important reality check to one of Energy Union’s promises, namely, initiating “an energy dialogue with stakeholders to inform policy making and support active engagement in managing the energy transition” (European Commission, 2015, p. 18). Is EU energy governance accessible for citizen-led initiatives? To answer this, the authors look at renewable energy cooperatives (RECs) and conclude that participation is difficult and path dependent. Furthermore, if “democratization” of energy governance is to be treated seriously (Szulecki, 2018), the Commission has to inquire about the actual opportunity structures, costs of engagement and limited capacity of grassroots energy governance actors.

While the Commission is central to EU energy governance processes, there are also other important actors involved. Torbjørn Jevnaker and Barbara Saerbeck (2019) scrutinize the role of EU agencies—executive-administrative entities set up to provide technical, scientific and managerial expertise to the Commission (Egeberg & Trondal, 2011, 2017). They use an organizational approach to evaluate the usefulness and impact on the Commission’s work of the two most important agencies in the energy sector: the Agency for the Cooperation of Energy Regulators (ACER) and the European Environmental Agency (EEA). They find that ACER’s “intergovernmentalist” logics—that is, the fact that it is a forum of national regulators and its output “could be heavily coloured by national interests”—limits its direct impact on Commission’s work, though both ACER and EEA are important sources of knowledge and expertise.

The second section of this volume focuses on different forms of energy subsidies and how State Aid rules have come to influence the energy sector. The

European Commission has traditionally had significant competences in the area of competition, understood as crucial for the harmonization of the internal market (Schmidt, 2011). Given the observed tendency for the Commission to increase its influence over the energy sector (Maltby, 2013), it is perhaps no surprise to see that the 2014 State Aid Guidelines—a competition policy instrument—have become a tool for influencing energy policy. Linking this to a broader process of “constitutionalization”, Elin Boasson’s (2019) contribution shows how the Commission’s Directorate General for Competition (DG COMP) as well as the Court of Justice of the EU have played a role in the emergence of stronger EU steering in renewable energy support schemes. In their article, Oscar W. Fitch-Roy, David Benson and Bridget Woodman (2019) illustrate the way State Aid Guidelines influenced the ascent of one particular kind of renewable energy support scheme—the RES auction—into dominance across Europe, but also point to the fact that behind the generic “auction” label there are quite different support schemes fitting different state ambitions. In turn, Merethe Dotterud Leiren, Kacper Szulecki, Tim Rayner and Catherine Banet (2019) analyse the flip side of the coin of renewable support—the emerging Capacity Markets (CMs). Looking at three recent cases of Commission-approved CMs—in France, Poland and the United Kingdom—they show the extent to which state aid regulation was important in shaping the final outcome. Finally, Marie Byskov Lindberg (2019) analyses the European decarbonization policy mix, consisting of the Emissions Trading System (ETS) and renewable energy support inscribed in the Renewable Energy Directive. She traces the way policy preferences of key non-governmental actors aligned in three policy debates: on the ETS reform, the 2030 Framework and the Clean Energy Package, noticing, that electricity industry actors displayed a shift in preferences, from a strong emphasis on the ETS as the main if not only instrument, to endorsement of RE support in the last debate.

The last section of this issue looks at energy and climate policy in the “new” EU Member States and the relationship between the EU and non-members. Stefan Četković and Aron Buzogány (2019) study the voting behaviour of six Central Eastern European (CEE) member states in the European Council on energy and climate-related legislation, assuming that the domestic political economy of the energy sector should be crucial for understanding Member State preferences. This article deepens and nuances their earlier work on the “varieties of capitalism” as a factor explaining energy and climate policy ambitions (Četković & Buzogány, 2016), and indeed shows that domestic state-market structures affect voting behaviour. At the same time, they find that CEE countries do not form a uniform group, and weak, issue-based coalitions facilitate further EU energy policy integration. Brigitte Horváthová and Michael Dobbins (2019) zoom in on the domestic level, looking at two of the CEE states—Czech Republic and Hungary—and the way do-

mestic interests are organized to influence national nuclear energy policy. Their analysis complements Četković and Buzogány’s (2019) article, showing how the insulated and non-participatory energy governance mode of CEE countries, blocking the inputs from civil society organizations, paved the way for economic interest of large energy sector incumbents in the formation of national energy policy.

The already mentioned article by van Baal and Finger (2019) analyses the effect of European integration on Swiss energy policy. Structuring the analysis around three modes of governance: markets, hierarchies and networks, they show that networks can in fact be more important than EU membership in harmonizing energy governance, but that the recent tendency for closer EU integration in the energy sector might leave Switzerland in a difficult position if no bilateral agreement is worked out. This of course can be read as a lesson for the post-Brexit arrangement with the United Kingdom. In the last research article of this issue, Benjamin Hofmann, Torbjørn Jevnaker and Philipp Thaler (2019) propose an ambitious conceptual framework for studying the possible influence of third countries on EU energy policy. Using two dimensions—third country access and third country structural power resources—they put forth a typology of the roles third countries can play: *outsiders* (Belarus), *challengers* (Russia, Turkey), *followers* (Energy Community, Iceland), and *shapers* (Norway, Switzerland), and provide a comparative case study of followers and shapers.

The research articles are supplemented by a Commentary by the Florence School of Regulation experts Maria Olczak and Andris Piebalgs (2019), former EU Commissioner for Energy, focusing on the different possible scenarios for natural gas and the potentials and limitations of its contribution to the transition to Europe’s decarbonized energy future.

We hope that this comprehensive and timely issue will contribute to a better and deeper understanding of EU energy governance, facing the difficult but imminent challenge of decarbonization.

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Conflict of Interests

The authors declare no conflict of interests.

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About the Authors



Kacper Szulecki is a Researcher at the Department of Political Science, University of Oslo, which he joined in 2014. Previously a Dahrendorf Postdoctoral Fellow at the Hertie School of Governance, and a Research Fellow at the Cluster EXC 16 “Cultural Foundations of Integration”, University of Konstanz. In 2010 he founded the Environmental Studies and Policy Research Institute (ESPRI) in Wrocław, Poland. He was also a visiting researcher at the Robert Schuman Centre for Advanced Studies/Florence School of Regulation at EUI Florence, and a guest researcher at the Department of Climate Policy, DIW Berlin.



Dag Harald Claes is Professor at the Department of Political Science at the University of Oslo. He has been Research Fellow at the Fridtjof Nansen Institute and Senior Research Fellow at the ARENA-program at the University of Oslo. Claes has been part of several research programs on international energy topics. Among his publications, we find studies of oil-producer cooperation, conflict and cooperation in oil and gas markets, Arctic oil and gas, the energy relations between Norway and the EU, and a study of the role of oil in Middle East conflicts.