

[9.] PLENARY 5. THE FUTURE OF THE EU'S ENERGY PROJECT – INTEGRATING ENERGY SECURITY, SOCIAL, CLIMATE AND DEMOCRATIC DIMENSIONS (IN PARTNERSHIP WITH THE GREEN EUROPEAN FOUNDATION)



The EU's energy project is unmistakably one of transition (from fossil fuels to a new clean energy system), with the European Green Deal representing the biggest cornerstone of the current EU legislative and political transformation framework. Recent crises and volatile social, environmental, geopolitical and economic contexts have confirmed the importance of pursuing decarbonization and the energy transition at a fast pace, but they also expose and amplify the risks related to insufficient social support for climate action and transition policies.

Within this context and at the start of new mandates in Parliament and Commission, the EU finds itself with a new challenge. How can it advance its Energy Project, and thus how can it be improved on 4 key dimensions at the same time: energy security, social aspects, climate and sustainability, and finally democracy? Successfully integrating and addressing this array of concerns means putting systemic narratives and policies at the core of the future of the EU's Energy Project.

During this panel, organised by the Green European Foundation, speakers will identify key barriers and opportunities to advance in that direction.

The Future of the EU's Energy Project.

Historically, the European political project – established in 1951 as the European Coal and Steel Community – and the topic of energy are two sides of the same coin. Now, in high need of a fresh European breath, energy, again, can emerge as the foundation for the EU's common future.

The way the European Union designs energy policy has far-reaching consequences on energy security and security more broadly, democracy, environmental sustainability, economy, international relations, social justice, cohesion, and equity. However, despite this societal, political and democratic gravity, energy's image as a policy area has remained largely technocratic, market-oriented and somewhat opaque.

Energy policy in the EU – and internationally – is often guided by the energy trilemma: affordability, energy security, and sustainability. The 2019-2024 EU mandate's track record on these three dimensions is a mixed – and at the same time very full – bag. On the sustainability dimension we have of course seen the European Climate Law, the Green Deal and Fit for 55. On energy security, we had the REPowerEU-response to the effects of Putin's war in Ukraine. On the affordability or social dimension, finally, there was the development of the Just Transition Mechanism, the Social Climate Fund and some EU guidance on Member States' policies to shield households from bearing the brunt of the energy crisis.

This overview exposes two main obstacles for the EU's energy project to emerge as a lever of social, political, and economic cohesion among, and well-being throughout, European Member States.

Firstly, the three dimensions are managed and deployed separately, often in a technocratic manner. This results in unexpected and undesirable effects on the other two dimensions. The design of the Green Deal package, for example, is essential for sustainability but left quite some gaps on the social dimension of energy. It didn't propose a fully-fledged script to put people – including the most vulnerable ones – central to the green transition, and thereby kept the doors to social backlash open. Additionally, it didn't come with a serious international strategy built on mutually beneficiary, non-extractive, clean energy partnerships with the rest of the world. The social support schemes deployed in order to mitigate the costs of the gas crisis in 2023, in their turn, resulted in a significant surge of fossil fuel subsidies, while the clean energy sector is facing investment shortages. And finally, the scramble for new gas to compensate decreased Russian supply – thus to deliver energy security – led to equally unsustainable investments and infrastructure, for example through the building of new LNG import terminals. This decision, taken from a restrictive vision on energy security, moreover replicates the EU's external dependence as well as related geopolitical weaknesses and therefore security concerns.

The second major obstacle is that the link between the EU's energy project and democracy is completely underlit in this trilemma-thinking. Energy policy carries enormous potential to strengthen participation and ownership of citizens and their representatives in the EU and Member States' political processes. Democratic engagement and ownership of energy planning and decision-making can turn consumers, depending strongly on big energy corporations, into active energy citizens, with access to data and knowledge, granting them much higher levels of autonomy.

It gives them ownership over their energy, strengthens their negotiating positions and ultimately increases the resilience and wellbeing of European societies. A strong democratic energy governance would moreover untie the policy area from its technocratic appearance, and guide it to where it belongs: at the centre of political and public debates. However, currently both European and national political actors are missing this link.

The fragmentation of the different energy trilemma pillars, as well as the energy democracy blind spot, are in themselves problematic. But in the face of (geo-) political turmoil, fluctuating energy costs and a general cost-of-living crisis, they become bread and butter to populists and the far-right.

If it addresses these stumbling blocks however, through bridging the dimensions and putting democracy at the centre, the EU can turn its energy project from an arena for divisive politics to a common European flagship that strengthens cohesion, prosperity, security and resilience, advances climate action, and at the same time enables collaborations with other countries to improve global justice and to collectively rethink energy use at the international level. The energy project is, as a consequence, nothing less than a key channel for green and progressive voices to reinforce sustainable democracies, able to resist populism, and to deliver a positive future.

The four sections of the Green European Foundation's report, The Future of the EU's Energy Project, are each devoted to one of the identified dimensions of the future of the EU's energy project: the three trilemma-dimensions - energy security, and security more broadly; social aspects; climate and sustainability - and an additional democratic dimension. There are two key common themes that emerge throughout these four sections:

1. Stronger planning for a secure, just, sustainable and democratic European energy project:

The European energy project has been overly focused on individualistic, market-based, technocratic policies and short-term goals. To create a just energy project that can serve as a foundation for a positive European future within planetary boundaries, we need a more planned approach that emphasizes collective action. We call for a systemic and transparent governance framework that considers all four dimensions equally: for the energy security dimension, this means first of all a modernised European Energy Security Strategy, and its implementation; for the social dimension, it implies strategical planning on the basis of cross-sectoral expertise, enhanced data collection and proper analysis of the various resources and needs of citizens, and how they can be met; the climate and sustainability dimension's planning must be strengthened on the level of infrastructure – covering grids, but also skills, local planning, etc – as well as through a stronger emphasis on efficiency and sufficiency; and for the democratic dimension finally, better planning means democratisation of energy on five different governance levels – from local to global – to both enable citizens' led energy initiatives and to give democratic actors access to energy decision making.

2. Financing the future European energy project, and its green transition

Linked to the stronger systemic planning, there must also be a robust financial strategy that delivers the infrastructure of this future European energy project. This includes, as mentioned throughout the report, investing in grids and renewable energy deployment, as well as in skills, mobility, renovation and so on. Economists and think tanks have clearly shown that austerity measures harm social cohesion, climate ambition, and European prosperity. Currently, however, there is no political consensus, nor convincing action plan on the investments needed for a successful transition. We therefore must incorporate green and progressive proposals and voices into economic debates now, to seize political opportunities in the future.

Planning and financing of a secure, just, sustainable and democratic European energy project cannot be viewed solely as internal challenges. The EU's energy policy is deeply intertwined with, and significantly influenced by, the international context. Successfully moving forward consequently also necessitates a comprehensive reimagining of Europe's engagement with the rest of the world, grounded in non-extractive partnerships and collaborative efforts.

The report – resulting out of GEF's Knowledge Community flagship - has the ambition to act as a compass for more ambitious, more systemic, and more inclusive debates on the topic of the EU's energy project. At the Vision Conference in Siena, it will function as the basis of the panel discussion on 13 September 2024 "PLENARY 5. THE FUTURE OF THE EU'S ENERGY PROJECT".