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The EU's Energy Roadmap 2050: Targets without Governance

Severin Fischer and Oliver Geden

With the Energy Roadmap 2050 of December 2011, the European Commission has opened the debate about the future shape of Europe's energy sector. But two central conflicts within the Union narrow the relevance of this planning instrument in the ongoing political process. Firstly, the European consensus that climate policy should determine energy policy, which has held since 2007, is likely to erode. Secondly, formulating European targets for 2050 suggests a greater scope of governance than the EU actually possesses, mainly because the European treaties still reserve the decisive role in shaping the energy mix for the member states. If the governments of the EU member states take the long-term approach of a European energy roadmap seriously, they would have to accept a major curtailment of their national sovereignty over energy policy.

Only a few weeks before the spectacular failure of the 2009 Copenhagen climate summit, the heads of state and government of the twenty-seven member states agreed to advance the EU's long-term energy and climate policy planning. In particular, the guiding idea was to conduct a detailed impact assessment of the proposal to reduce greenhouse gas emissions by at least 80 percent between 1990 and 2050. In response the Commission began preparing a series of scenarios describing the conditions and consequences of an ambitious European decarbonisation policy. First of all, in March 2011, EU Climate Commissioner Connie Hedegaard published the Low Carbon Roadmap analysing the impact

of an economy-wide target of 80 percent reduction in the EU by 2050, followed by detailed scenarios for two of the most important sectors: transport and energy. Also in March, Transport Commissioner Siim Kallas outlined the potential consequences for his sector. The cycle of Commission communications concluded nine months later with the publication of the Energy Roadmap by Energy Commissioner Günther Oettinger. Now it is up to the governments of the member states to draw their conclusions from the Commission's analyses.

In the European Union, major strategic decisions are made by the twenty-seven heads of state and government after con-

sultation in the relevant formation of the Council. Without any doubt, the question of defining medium- to long-term energy and climate targets belongs in this category. The European parliament's role in this debate is at best consultative. The relevant national ministers have twice failed to agree with the necessary unanimity on conclusions about the Low Carbon Roadmap published one year before, with the Polish government blocking a joint position. Finding a consensus on the Transport Roadmap appears even more difficult, despite the 2050 emissions reduction target proposed here being just 60 percent.

From the experience gathered so far, consultations on the Energy Roadmap cannot be expected to run smoothly either, given the importance of that sector for the proposed transformation to a low-carbon economy. The proposed sectoral emission reduction target is particularly high at 85 percent (and at least 95 percent in the politically sensitive sector of electricity generation), while some of the technology options at the heart of the Commission's decarbonisation scenarios are politically and publicly extremely controversial (in particular the future role of nuclear power, renewable energy sources and carbon capture and storage). Even if we assume that the Council will maintain its overall objective for 2050 in the coming decades, the actors in the energy sector will inevitably be operating under a very vague framework for some time. The requisite minimum of investment security cannot be established until the member states are able to thrash out a decision about which of the paths proposed in the Commission's Energy Roadmap the EU should follow.

Planning Instrument "Roadmap"

With the publication of its three climate-related roadmaps for 2050 the Commission has introduced a planning instrument that is likely to find more frequent application in future, especially for questions relevant to economic policy. Roadmaps based on

economic modelling allow the Commission to shape the course of debate about the long-term development of individual sectors at an early stage, not least by its selection of scenarios to be analysed. However, influencing the content of debates is not the same as actually making the strategic decisions, which is ultimately a matter for the European Council.

A special constellation arises in the case of long-term planning in the energy sector. Whereas the Climate Roadmap is compatible with the present division of powers between the EU and its member states, adopting a roadmap for restructuring the energy sector seems contrary to the distribution of powers on energy policy laid out in Article 194 (2) of the Treaty on the Functioning of the European Union. The energy mix of the member states and the composition of their electricity generation portfolios represent areas of national sovereignty that tend to be influenced by business and profit calculations of private-sector companies more than by directives from Brussels. So far only regulation resulting from climate policy objectives lies within the responsibility of the EU. In view of the general *bottom-up* character of EU energy policy, based on the sovereignty of the member state, the *top-down* logic of the Roadmap initially appears puzzling. Given that enthusiasm for making politically and legally binding decisions with implications for coming decades is rather small among the member states, the implementation of a European Energy Roadmap for 2050 would demand a degree of control and influence that does not reflect the present status quo at EU level.

The relevance of the Energy Roadmap for future European energy policy therefore depends not solely on any substantive assessment of the scenarios it presents, but rather on the willingness of the member states to agree to a deeper Europeanisation of energy policy. Three fundamental options are conceivable:

Option 1: Definition of Mid-Term Targets

On the basis of decisions of the European Council at Hampton Court in 2005 and ensuing Commission initiatives the heads of state and government set binding targets for climate protection and the deployment of renewables in March 2007. Greenhouse gas emissions will be reduced by 20 percent between 1990 and 2020 (30 percent in the case of an ambitious international agreement on climate protection). The share of renewable energy sources is set to reach 20 percent in 2020 as well.

A comparable process for setting targets for 2025 and 2030 could now be initiated on the basis of the Energy Roadmap. The Roadmap provides information about the cost structures of various energy transformation paths towards the target of reducing greenhouse gas emissions by 80 percent by 2050. The fundamental decision about climate protection and renewable energy targets for 2030 is, in the final instance, again a matter for the heads of state and government. The influence of Commission and European Parliament is mainly restricted to the policy process of formulating implementing directives, regulations and decisions.

Judging by the way the conflict over raising the EU's climate target for 2020 has dragged on for years, it is hard to imagine an agreement being reached quickly on binding targets for 2025 or 2030. While the European Council's once-stated goal of reducing EU-wide emissions by at least 80 percent by 2050 remains politically unchallenged so far, in the coming years many eastern and southern member states are likely to baulk at binding targets for the decade after 2020. On the other side, ambitious member states such as Germany, the United Kingdom and Denmark will wish to avoid any impression that the EU is planning to scale back its climate protection efforts during the critical phase of the international climate negotiations up to 2015.

Option 2: Coordination of Electricity Market Structures

The publication of the EU Energy Roadmap has already initiated a debate about an overall European energy mix or an EU-managed electricity generating structure. In fact, the European Union has absolutely no responsibility for the energy or electricity mix in the member states. To that extent the heated discussion about Commissioner Oettinger's supposed plans to massively expand nuclear power in Europe is misplaced. Neither the German decision to phase out nuclear power nor plans to build new nuclear power stations in Great Britain and some eastern European states were coordinated in advance in the EU framework. Each member state is solely responsible for its energy mix, so any attempt by the EU to intervene directly in this area of national sovereignty would be regarded as an affront.

Political support for an EU Energy Roadmap 2050 with ambitious targets would inevitably lead to a debate about whether the present status of primary law on energy policy would need reforming in the mid- to long-term. If the largely uncoordinated coexistence of twenty-seven national energy strategies continues, the EU will not be in a position to achieve the desired emissions reductions by 2050 without having to accept problems in the areas of security of supply or cost efficiency. Moreover, the contribution of renewables in a decarbonisation scenario already has to be so large that national sovereignty over the energy mix would be successively undermined anyway.

The Energy Roadmap 2050 could certainly be taken as a chance to place the taboo of European coordination of national energy policies on the agenda. Especially in the electricity sector, this would correspond with a Europeanisation trend that has been apparent for quite some time. In two crucial areas, grid development and energy market regulation, there have been clear steps towards more European governance in recent years. The obligation on network

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operators to come up with European network development plans, introduced in 2009 with the Third Internal Energy Market Package, or the establishment of the European Agency for the Cooperation of Energy Regulators are amongst the most obvious signs of an integration dynamic in the energy sector that has been visible for some time. It would only be logical if, with the coordination of electricity generating structures, the last remaining sphere of national regulation were to become the subject of a Europeanisation process. Whereas many energy providers are open to such a development, no corresponding willingness can be detected among the member state governments.

line paths that could be pursued but fail to create real political motion.

Option 3: Resubmission

A much more plausible option than the first two would appear to be the temporary postponement of serious negotiations about new interim targets. In the past, the Climate and Transport Roadmaps were both put to one side by governments following brief public debate. It was left to interest groups, NGOs and research institutes to refer to one or other detail of the roadmaps, but without any consequences for the political process. It can be expected that the Energy Roadmap will suffer a similar treatment.

Because the EU is not responsible for the energy mix and considerable differences exist between member states on energy and climate policy, it is highly unlikely that the Council will come to any groundbreaking decisions in 2012. The member states are more likely to ask the Commission to conduct another impact assessment into the effects of the proposal than to take a political decision on it. The Energy Roadmap 2050 will disappear in the files of the administration for the moment, with the option of re-tabling it in an updated form one day. The Commission's proposals are set to experience the same fate as numerous strategy papers before them: They out-