

Esteri - The time is now: the EU needs a genuine Energy Union

Roma - 10 ott 2022 (Prima Notizia 24) The President of the European Council, Charles Michel: "It will entail revisiting many of our long-standing beliefs or assumptions and acting more collectively, as Europeans".

"By launching a war on Ukraine, Putin has also fired an "energy missile" at Europe. He wants to obliterate our economies, weaken our societies and destroy our morale. We must be clear-eyed in assessing the scale of the damage, both in the immediate and long term. This crisis vindicates our common growth strategy for Europe, agreed in Versailles, and offers an opportunity to fast track its implementation. It is urgent to establish a genuine Energy Union. It will be an essential pillar of the EU sovereignty. Energy is like the blood running through the veins of our economies. But it is getting clotted by Russia's aggressive actions. Households and companies across the EU face exorbitant energy bills. The European Union's energy imports in the first half of 2022 amounted to almost € 380 bn, which is close to what we usually pay for an entire year. Our energy trade deficit is likely to double in 2022, reaching about 5% of GDP. This has led EU governments to ramp up spending to soften the blow for their households and businesses. This fiscal effort is currently estimated at half a trillion euros...and growing fast. It is worth remembering that this money does not go towards investment in the future. This situation forces us to reassess how we achieve our longer-term transition to climate neutrality, which is not only central to our environmental fight, it is also key to our growth strategy. Our path to net zero was predicated on, among others things, ample availability of affordable gas. This is now a thing of the past. In Versailles, last March, EU leaders agreed to bolster our European sovereignty in three areas: defence, the economy and energy. Seven months later, we recognise the need for a new energy strategy in tackling today's crisis and in laying the ground for a robust and resilient economy. That is why I am calling for a genuine Energy Union. It will entail revisiting many of our long-standing beliefs or assumptions and acting more collectively, as Europeans. Today's energy crisis has exposed the cracks in a Union composed of 27 energy "private preserves". Just as we have seen during COVID, especially with vaccines, no country alone can cope with a crisis of this magnitude. We must be willing to face the taboos surrounding national and EU competences. A resilient Energy Union will not magically appear from 27 national energy mixes — we must make them compatible. This will require a strong and sincere coordination between member states. And we should create the necessary regulatory framework and market conditions that best serve the interests of European citizens and companies. To reach a compromise and take action, we must come back to the values and principles we all believe in. Solidarity, fairness, and transparency. These are the principles that will lead us to security of supply, a level playing field and affordable prices, and will restore trust in the markets. Our common energy strategy should have four goals. First, reducing our consumption. This will be important not

only for the coming winter, but permanently. We have already taken decisions to start us on this path. It will require a shift in mentality, a great deal of innovation and creativity, and honesty. We must be honest with our citizens and businesses about the challenges ahead. Second, we need to ensure our security of supply. We are diversifying away from Russian energy to more reliable energy providers. We must not repeat the mistakes of the past, by becoming over-dependent on a single source or a single supplier. As we engage with a broader range of suppliers, they expect us to provide them with predictability in the long term. We should also buy smarter. That means making better use of our collective buying power through the joint EU energy platform that we decided to set up in March, rather than competing among member states and driving up prices. A varied energy mix will reduce the risk of energy dependency. This includes renewables, such as solar, wind and geo-thermal energy. It also includes hydrogen. We have taken steps to develop a hydrogen market, but more needs to be done. We should not be complacent. We need to reflect on our competitiveness in light of measures taken by others, notably the United States, both in the field of green and non-green hydrogen. It also includes nuclear, an energy source that can help maintain steady energy supply and ensure a reliable and flexible electricity system, while supporting our net zero objectives. We should also factor in promising innovations, which might mitigate the environmental counter-arguments. Third, we must get prices down. We need to tackle how our electricity market works — it was conceived in another time for another time. If we want to reduce consumption, diversify more and achieve net zero, we need to invest more in research, innovation and technology. The best way to get energy prices down is to take a more collective approach. And this leads to my final point. Our common energy strategy should reinforce the cohesion of our Single market. As we saw at the start of the pandemic, the legitimate actions taken by national governments to protect their households and businesses can cause imbalances. This creates an impression of unfairness. And it ultimately endangers the dynamism of the Single Market, one of our most precious European assets, which would directly impact every country, big and small. The global financial crisis and the EU's sovereign debt crisis spurred the EU to create a banking union, to ensure the stability of the banking sector. The pandemic taught us to pool our resources in the health sector, primarily a national competence. This is how we developed and produced vaccines and made sure they were available to all EU citizens, no matter where they lived. We must now do the same in the energy sector and set up this genuine Energy Union. Doing too little too late is not an option. It's time to take a quantum leap". It's what has written Charles Michel, President of the European Council, in his editorial, a first version of which appeared in The Financial Times.

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