

Chapter 6

EU's Energy Policy and Assessing Europe's Spiraling Energy Security Crises

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ABSTRACT

This chapter analyzes the energy crisis in Europe, which has been an emerging problem in recent years. Though it has been making efforts to reduce its dependence on fossil fuels, especially on Russia, it has not been able to achieve much success. A primary reason for this is that energy demand has increased while investments in renewable resources and other forms of alternative energy have not kept pace. This chapter implies a qualitative approach to explaining empirical data of the EU's policy on energy security. The study also focuses on to what extent the EU maintains energy issues during this crisis. What is the relationship between the EU and Russia during the war on energy issues? This research also answers the following question: What are the EU measures on the energy crisis in Europe?

INTRODUCTION

The European Union (EU) has shown its commitment to work on energy security in recent years on future sustainability in the energy sector. EU policy is to work on energy saving, clean energy production and diversification of energy supplies. The EU has focused on the area of renewable energy in the power generation, industry, buildings and transport sectors. By 2020, the EU aims to achieve a form of climate neutrality, however, the European Commission (EC) also want to work together with the European countries to stop future energy crisis. The EU's aim is to cut down its reliance on Russian gas by two-thirds from the last financial year of 2022-23. By 2030, the EU has swift plans to make it independent of Russian fossil fuels. Thus, the EU and its sister institutions are working on an alternative plan to fill the gap of the energy crisis through the promotion of green alternatives. The EU believes that it is necessary to find out an alternative source of energy with the implementation of the laws of the

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Union by boosting efficiency and transitioning to renewable energy. Russia is recorded as the leading supplier of both petroleum oil and natural gas to the EU in 2020-21. In the financial year 2020-2021, the EU imported 24.8% of crude oil from Russia (Dutta, 2022a). The majority of crude oil from Russia is shipped to Europe by sea, and the rest of the crude oil is transported through the Druzhba pipeline in central Europe. The Druzhba pipeline supplies refineries in Poland, Germany, Hungary, Slovakia and the Czech Republic.

The EU has been importing natural gas from Russia through the Yamal and Nord Stream pipelines. The Yamal pipeline enters in European Union from Belarus to Poland and the Nord Stream gas pipeline enters the EU through Germany. Ukraine provides another route for the Russian gas pipeline to the EU, namely the Brotherhood and Soyuz gas pipelines. The EU imported natural gas from Russia at around 39.2 percent in 2021. Furthermore, the EU imported 62 percent of its energy resources from Russia in 2021, i.e., coal, crude oil and natural gas. Which accounted for around 99 billion Euros of trade between the EU and Russia

The Russian invasion of Ukraine caused energy crises in EU member states due to a disrupted supply chain. On the other hand, the reduction of Russian supply to the EU caused the price rate of gas to increase. The question of energy security has been the prime concern of the EU since the war happened in Ukraine. Prices have climbed over the past two years and continue to accelerate in the European market. It has been affecting the common people to stop consuming, known as “demand destruction.” European energy markets have tightened to the point where small changes in supply have large effects on prices. This is why wholesale energy prices have been so volatile and have skyrocketed (Zettelmeyer et al., 2022).

The EU has refocused its public diplomacy to transform energy security policy to accelerate deeper partnerships in countries across Asia, Africa and other Pacific regions to reduce dependence on Russia (Bharti & Goswami, 2023). The Russian invasion of Ukraine has made the burning issue of energy security one of the EU's top priorities in recent years. That is why the EU's diplomacy has been changed towards the other parts of the world to cooperate in the area of renewable energy and other resources. Since last year, Russia has reduced gas flows to the EU and other European countries as well (Zachmann et al., 2023). Until 2021, according to Eurostat data, Russia was the largest supplier of coal, oil and natural gas to EU member states (Eurostat, 2022). This war brought havoc in prices and has been creating major turbulence for the EU energy system. At present, the EU and other non-EU European countries are suffering from soaring energy prices (European Commission, 2022a).

REVIEW OF LITERATURE AND CONCEPTUAL BACKGROUND

Giuli and Oberthür (2023) talk about the EU assessment on sustainable energy security should focus on the long-term with suitable structural response measures. Coal-fired power plants could drive short-term emergency measures that will meet temporary needs (Giuli & Oberthür, 2023). The energy security crisis has been guiding the major economies to adopt the roots of renewable and nuclear energy to make them less dependent on fossil fuels (Jewell et al., 2014). There are various pieces of literature from academic and policy consensus reveal that it is impossible to nurture long-term future scenarios on how to assess energy security and evaluate it. In spite of the various circumstances, the EU seems to extend its support to the future course of the agenda on energy security. Most of the research and think tank reports talk about energy security and the future scarcity of oil and gas. There is a need to work on the management

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