
Towards a real new Energy policy for the European Union?

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Theoretically, energy has always been a prime objective of the European integration. In 1951, coal was with steel the object of the first Community (ECSC). In 1957, atomic energy deserved a particular treaty (EAEC). Nevertheless, there has paradoxically never been an EC chapter about energy policy (like there was for agricultural policy, competition policy or trade policy). And there has never been such a policy even after the two petrol shocks of the 1970s.

This was felt quite clearly in 2006. Due to various causes, the petrol price had climbed to 70 \$ per barrel and remained at a high level. In the first days of the year, Russia blocked temporarily its gas exports towards the EU. Finally, there was an obvious contrast between the growing evidence of the climate warming and the very limited results brought by the weak implementation of the Kyoto protocol in the EU and in the world.

In January 2007, the European Commission has presented an action program that has largely been adopted by the European Council in March 2007. However, there still remains a risk of reproducing the previous (sterile) energy debates in the European Union. This would be highly regrettable. The adoption of a real energy policy has remained a challenge for the European Union since its beginning, and for understandable reasons. Any energy policy is linked to essential political decisions. The stability of energy provision is a fundamental strategic objective for all States, since energy is the basis of most economic activity. The energy market is a market that can be characterised as highly complex and highly imperfect. It comprehends various sub-sectors (oil, gas, coal, atomic energy, electricity, renewable sources) responding differently to economic evolutions. Networks effects are often very heavy, and thus competition remains often quite limited. It is quite difficult to have competition in the establishment of network. The first builder can have a huge impact on the market. Moreover, investments' payoffs are generally very long, sometimes taking decades. Because of these elements, it is easy to make huge mistakes in the regulation of the energy market (see the horrendous Californian experience).

Nonetheless, the present new context makes a coordinated European approach more necessary than ever. The present synthesis will thus try to explain why the new challenges call for a European approach (§ 1), what has been done until now (§ 2), the main orientations of the new debate (§ 3) and the main challenges of the future (§ 4).

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