



Another piece of the EU energy puzzle

The European Union will move one step closer to speaking with one voice on energy if member states share information about energy deals made with non-EU countries, says Latvian Christian Democrat Krišjānis Kariņš, who is steering proposals to do just that through parliament.

The EU imports more than 60% of its gas and more than 80% of its oil needs and the figure is increasing. Russia, Norway and Algeria account for 85% of EU natural gas imports and almost 50% of crude oil imports.

Energy supply is ensured mostly through **bilateral trades**, and there is no coherent EU approach to energy relations with non-EU countries. This contrasts with the situation at home where common EU rules to ensure secure and affordable energy supplies for the economy and citizens are in place.

Exchange of information

Last year, in a bid for better coordination, the European Commission proposed new rules on energy deals with third party countries. The legislation would require an exchange of information between the Commission and the 27 member states on **all inter-governmental agreements on energy supplies from non-EU countries**, before such deals are signed.

"The primary goal is to make certain that agreements are in line with EU energy law, especially the third energy package (that ensures third parties have adequate access to supplier-controlled pipelines)," Kariņš said.

Not only would the Commission examine agreements, it would also be able to take part in negotiations as an observer. It could play the role of "legal adviser (on how) best to negotiate and write the agreements", he added.

Preemptive legislation

"The goal is to prevent infringement procedures before they start and make sure that an agreement complies with EU law from the very beginning," he said. "The ironic thing is that if the legislation isn't passed the Commission would be looking at agreements anyway, and if it encountered anything which was contrary to EU law, infringement procedures would be started. This legislation is an important cog in the system that would help to avoid a (legal) mess."

In 2010, before the proposal on energy deals was drafted, the Commission contested an agreement between Poland and Russia to ensure access to the Polish section of the Yamal natural gas pipeline (partly owned by Russian gas giant Gazprom) for other operators.

Opposition

If the Commission can scrutinise agreements, why are some member states opposed to the new legislation? "I believe the concern is about confidentiality - that company secrets will start floating around Europe. It's of the utmost importance that this legislation does not allow that to happen," Kariņš said. "My report specifically states that if a government indicates that certain information is confidential then the Commission respects that confidentiality and does not distribute it to other member states. It's a safeguard."

Article

However, protecting business confidentiality might not be enough to appease critics who regard the new proposal as interfering in national affairs and a threat to sovereignty.

"It is the worst kind of meddling by the Commission's control freaks," said British Conservative Giles Chichester, giving voice in the Committee to this opposing view. "Our energy arrangements are Britain's own business, not the Commission's. This is an attempt to control and interfere with our individual trading interests on a new and deeply worrying scale."

"It has nothing to do with whether or not someone is allowed to make an agreement with someone else. It's about making sure that agreements that are made on energy issues are in line with EU law," Kariņš argues. "The European energy policy has many aspects - many different pieces of the puzzle. This is one piece of the puzzle."

The Energy Committee is expected to vote on the proposals 28 February.