FACULTEIT POLITIEKE EN SOCIALE WETENSCHAPPEN

VIEWS ON THE SECURITY DIMENSION OF THE ENERGY UNION

A STUDY OF THE VISEGRAD COUNTRIES

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VOORWOORD

Je zou kunnen zeggen dat met het kiezen van het juiste onderwerp, de halve thesis al geschreven is. Deze keuze is niet alleen de eerste stap, maar ook verreweg de belangrijkste. Het onderwerp moet genoeg diepgang bieden en de schrijver blijven boeien. De energieveiligheid van de Europese Unie, is mij door het schrijven van deze thesis alleen maar meer gaan interesseren. Tegelijkertijd is dit vraagstuk niet los te koppelen van alle andere facetten van energiebeleid, zoals duurzaamheid en de energiemarkt. Dit maakte het lastig om de juiste focus te behouden, maar vergrote daardoor ook de uitdaging. Uiteindelijk kijk ik tevreden neer op het eindresultaat en hoop ik dat elke lezer van dit stuk er iets van leert.

Dit had ik nooit bereikt zonder de hulp en inzet van professor Vos. Zijn begeleidende lessen waren zeer leerzaam en ik zal niet snel de 'wolkmetafoor' vergeten, die illustreert hoe academische debatten benaderd moeten worden. Bovendien heb ik in mijn jaren als student, aan drie verschillende faculteiten, geen professor gekend die zo consequent, zo snel en zo degelijk antwoord gaf op e-mails! Toen ik dit voorjaar besloot van onderwerp te veranderen en aan een nieuwe thesis te beginnen, heeft professor Vos deze keuze ondersteund en mij daarmee het vertrouwen gegeven om dit tot een goed einde te brengen. Ik wil hem graag bedanken voor alle hulp en feedback!

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ABSTRACT

The Gas Crises of 2006 and 2009 showed that the supply of gas to many EU member states was not secure. Due to the continuing tensions between Russia and Ukraine, many EU member states, especially the Visegrad countries (Poland, Czech Republic, Slovakia and Hungary), take measures to improve their energy security. In 2015, the European Commission launched the Energy Union project, promising secure, sustainable and affordable energy for all member states. Using the securitization framework of the Copenhagen School, a theory that is rarely applied to energy security, this thesis studies how energy security is presented by the Commission and the Visegrad member states. Additionally, the theory of framing and agenda-setting, is used to get an extra angle on the research results. Interviews with policy workers and policy documents have been analysed to construct the perspectives on energy security. Only Poland turns out to be a true securitizing actor. The other Visegrad countries and the European Commission regard energy security as politicized and can sometimes be better understood using more classical security theories such as the realist and the liberal approach.

Key words: Energy Union, energy security, securitization, framing, agenda-setting

ABSTRACT IN DUTCH

Door de Gascrises van 2006 en 2009 is het voor veel lidstaten van de Europese Unie duidelijk geworden dat de aanvoer van gas niet altijd zeker is. Door de aanhoudende spanningen tussen Rusland en Oekraïne, maken veel EU lidstaten er werk van om de toegang tot energiebronnen veilig te tellen. Vooral de oostelijk lidstaten, waaronder de Visegrádgroep (Polen, Tsjechië, Slowakije en Hongarije), vinden dit belangrijk. De Europese Commissie lanceerde in 2015 de Energie Unie, met als doel de energie van de lidstaten zeker, duurzaam en betaalbaar te houden. Op basis van de securitization theorie van de Copenhagen School, onderzoekt deze thesis hoe *energy security* wordt gezien door de Europese Commissie en de Visegrad-landen. Daarnaast worden de concepten *agenda-setting* en *framing* gebruikt om een extra invalshoek toe te voegen aan het onderzoek. Interviews met beleidsmedewerkers en beleidsdocumenten zijn geanalyseerd om voor elke actor de visie op energy security te achterhalen. Uit het onderzoek blijkt dat alleen Polen als een werkelijke securitizing actor moet worden gezien. Voor de andere Visegrad landen en de Europese Commissie is energy security slechts een gepolitiseerd onderwerp. De actoren kunnen in sommige gevallen beter vanuit klassieke *security* benaderingen bekeken worden, zoals de realistische en de liberale benadering.

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1. INTRODUCTION

The relation between Russia and the EU has been very tense the last couple of years. Both the EU and Russia have imposed economic and political sanctions upon each other. Yet, one commodity remains subject of intensive trade: energy. Russia remains the most important source of energy recourse for the EU (Eurostat, 2016). This has raised many questions whether supply of energy to the EU is secure. Many member states, especially the EU's eastern states, are worried about their energy security.

The establishment of the Energy Union might be a solution for these energy security concerns. This project is launched by the European Commission to improve the energy security of the EU. However, the project also has two other objectives: improving sustainability and integrating energy markets. The European Commission aims to solve all energy-related problems using one strategy.

This thesis investigates how the Visegrad countries (Poland, Slovakia, the Czech Republic and Hungary) define energy security. Are the interests and views of these member states similar or are there differences? The view of the European Commission on energy security is studied as well. These five actors are compared and the impact of possible disagreements on the development of the Energy Union is analysed.

1.1. RESEARCH PROBLEM

Despite the tensions between Russia and the EU in recent years, the trade in energy resources such as gas, oil and nuclear fuel continues. In 2015, the EU received 38,5% of its gas import and 28,6% of its oil import from Russia. In the first semester of 2016, these percentages even increased to 38,9% and 32,6% respectively (Eurostat, 2016).

Due to the *Gas Disputes of 2006-2009* between Russia and Ukraine, it became clear that the gas supply to the EU was not as secure as it always seemed (Ozcan, 2015). Especially countries in Central Europe and the Balkans were affected by the closure of the supply routes through Ukraine (see Figure 1). Other EU member states with a large dependency on Russian energy sources, such as the Baltics, Finland and Sweden, were spared from gas shortages[1], but their vulnerability was clear nonetheless.

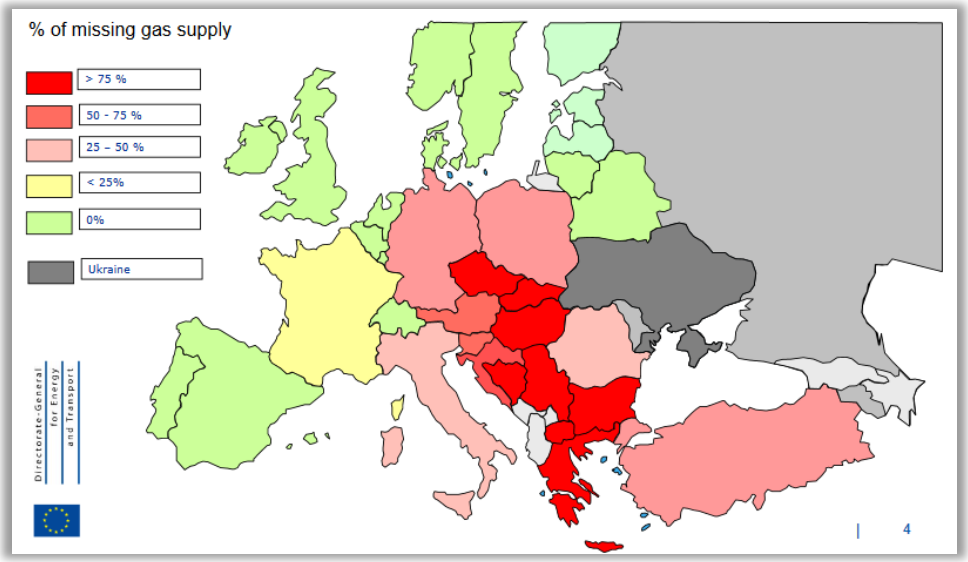

Figure 1: Impact of the 2009 gas dispute on individual countries (DG TREN, 2009)

By the spring of 2014 the EU-Russia relations took a new turn with the Russian annexation of Crimea. On the 21st of April, a few weeks after the annexation, then prime minister of Poland, Donald Tusk, reacted to the new developments with an article in the *Financial Times*. He stressed the importance of energy independence and proposed the creation of an Energy Union. Future energy contracts with Russia should

[1] The gas pipelines supplying these countries do not go through Ukraine.

be negotiated on EU level and member states should be obligated to help each other in case of energy supply shortages. Tusk also proposed to maximize the use of the own reserves of fossil fuels (mainly coal and shale gas) and to reach for other external partners (for example the USA and Australia) (Tusk, 2014).

Tusk continued his mission by assigning his Foreign Affairs Ministry the task to further develop his ideas, showing that his proposal was officially supported by the Polish government (Mišík, 2016). The 'Roadmap towards an Energy Union for Europe' was basically an extended and detailed version of Tusk's proposal.

Similar ideas for an EU energy policy never took off because of the unwillingness of member states to transfer competences to Brussels (Oroschakoff, 2015). The call of Tusk however, was met with widespread interest and attention of the public. A public debate was launched and the Energy Union was 'put on the agenda' (Oroschakoff, 2015). Tusk even managed to get support for his idea of the joint purchase of gas from then Commissioner Günther Oettinger (Mišík, 2016). Six months later, on November 12th 2014, the newly installed Juncker Commission set the Energy Union as priority number three on their list of ten priorities for the EU (Euractiv, 2014), indicating its determination.

On February 25th 2015, less than a year after the article of Tusk, the European Commission officially launched the Energy Union. The Slovak Commissioner Maroš Šefčovič, responsible for the Energy Union, explained that the Energy Union has three main **objectives**: security of supply, sustainability and competitiveness (European Commission, 2015a).

To accomplish these objectives, the project focusses on the following five **dimensions**:

- Energy security, solidarity and trust;
- The internal energy market;
- Energy efficiency as a contribution to the moderation of energy demand;
- Decarbonization of the economy;
- Research, innovation and competitiveness

Three weeks later Juncker presented the ideas to the European Council, which reacted positively to the idea (European Council, 2015). The European Parliament followed in

December 2015 by adopting a motion backing the creation of an Energy Union (Votewatch Europe, 2015).

The Energy Union is not one specific piece of legislation, but a framework for many separate legislative proposals. These proposals are presented by the Commission in packages and follow the *Ordinary Legislative Procedure*. A few have already been approved, but most of them are either being drafted by the Commission or discussed in first reading by the Parliament and the Council (European Commission, 2017a).

1.1.1. PROBLEM STATEMENT

Although the security of energy supply is listed as one of the three main objectives of the Energy Union, it does not seem to share the same focus as Tusk's initial proposal. Instead of focusing on the joint purchase of gas and a joint approach towards Russia, the Commission's strategy to improve the security of supply is mostly based on energy efficiency and sustainability (European Commission, 2017a). Of course, these improvements will have a positive effect on the security of energy supply as well, since they will lessen the import of fossil fuels for EU energy consumption. Yet, this means that the Commission follows a completely different approach, apart from 'investments in infrastructure', which is named in both strategies. In his proposal Tusk writes:

> *''Europe should make full use of the fossil fuels available, including coal and shale gas. In the EU's eastern states, Poland among them, coal is synonymous with energy security. No nation should be forced to extract minerals but none should be prevented from doing so – as long as it is done in a sustainable way.'' (Tusk, 2014).*

Already during the birth of the Energy Union, different perspectives on energy security were in circulation. Tusk, one of the first people to coin the term 'Energy Union' had clearly different things in mind than currently proposed by the Commission. Maybe other member states have yet other ideas on how energy security could be part of an Energy Union. This would be hardly surprising, given that the project covers the whole range of energy related policies: sustainability, climate change, market integration, affordability, energy consumer rights, innovation, energy security; all very diverse but interlinked issues.

1.1.2. *RESEARCH QUESTION*

Based on the above problem statement, the main research question is:

- How do different views on energy security form the agenda of the Energy Union?

Based on the research question and the literature discussed in Chapter 2 and 3, two sub research questions have been developed. Answering these questions will ultimately lead to the answer to the main research question.

Sub question 1:

- How is energy security presented by the four Visegrad governments and the European Commission?

Sub question 2:

- Are the dimensions of the Energy Union agenda regarded as harmonious or conflicting with the energy security interests of the Visegrad states?

How the research questions relate to the literature is discussed in Chapter 4.1, after literature itself is discussed.

1.2. Focus of the thesis

To come to a proper answer to the main research question, three choices were made regarding the focus of this thesis: the thesis will focus on agenda-setting, on energy security and contains a case study on the Visegrad countries.

1.2.1. Why energy security?

As explained in the problem statement of this thesis, of all Energy Union dimensions, energy security seems to be the most contested. Besides being one of the objectives of the project, energy security also clearly played a role in the creation of the Energy Union as an agenda item.

Furthermore, the project is too extensive to be properly analysed as a whole in the space of a single thesis. That is why, although the links with other energy related policy fields will certainly be studied, this thesis focusses on the concept of *energy security*.

Additionally, the EU has a diverse group of members, each with their own set of circumstances and interests, and therefore with their own view on this agenda. This research focusses on a group of member states that seem to have a particularly peculiar position in this matter: the Visegrad countries.

1.2.2. Why agenda-setting?

Since the Energy Union proposals are still in the EU decision-making procedure, the outcomes of the project are still unknown and it is not possible yet to research the Energy Union itself. There simply is no Energy Union yet. The agenda of the Energy Union however *does* exist. How exactly the agenda of the Energy Union will be approached in this thesis will be discussed in Chapter 3.

1.2.3. Why the Visegrad countries?

While the detailed analysis of all member states would give the best overview of securitization of energy in the EU, this is not possible to comprehend in a single thesis. Instead, the four Visegrad countries will be studied.

The Visegrad group, also called *Visegrad Four* or simply *V4*, consists of Poland, Slovakia, Hungary and the Czech Republic. The group was founded in 1991 and cooperates in many fields, including energy, and on many levels; from joint expert groups to meetings of heads of state (Visegrad Group, 2017). The Visegrad cooperation is not institutionalized in any manner[2], which means that there is no obligation to come to an understanding on every subject. If they do agree on an issue, the Visegrad group will use their collective weight to strengthen their position in the EU, in particular in the Council of Ministers (Törő, Butler, & Grúber, 2013).

But why does this thesis focus on these countries? Poland holds a special position when it comes to the Energy Union, much like the other former communist states in Central Europe, such as Hungary, Slovakia and the Czech Republic (jointly called the Visegrad Group). Their position is special because on the one hand, they are in the top of the list of member states with a high energy dependency on Russia. This is not only the case with natural gas, but also with oil and the domestic production of nuclear energy (Hungary, Slovakia and the Czech Republic import their uranium from Russia and their Soviet-made nuclear reactors can only use Russian spare parts, see European Commission, 2014a; World Nuclear Association, 2017).

On the other hand, these countries are notorious in regard to the creation and implementation of environmental legislation. [3] Environmental proposals of the Commission regularly find opposition from Visegrad representatives in the Council and Visegrad MEP's in the European Parliament.

[2] Except for the relatively small International Visegrad Fund, which amounted €8 million in 2014 (Visegrad Group, 2017). Furthermore there is a yearly rotating presidency, currently held by Hungary.

[3] See for example
https://www.swp-berlin.org/fileadmin/contents/products/comments/2014C55_fis.pdf
or http://www.euractiv.com/section/energy/interview/polish-power-rep-commissions-vision-of-the-electricity-market-is-slightly-utopian/
or http://energypost.eu/eus-great-2030-energy-climate-compromise/

Because of this pro-security and anti-sustainability sentiment, the biggest discrepancy between member states' visions and the Commission Energy Union proposals can be expected with this group. This hypothesis forms the ground for focusing on the V4.

1.3. Structure of the thesis

The thesis will now continue with the analysis of academic literature on energy security. In **Chapter 3**, an overview of theoretical insights on agenda-setting and framing will follow.

Based on these two theoretical chapters and the already discussed research problem, a research design is set up in **Chapter 4**. This chapter will also discuss how the research went and whether this causes any limitations regarding the found results. These results will be analysed, linked to the literature and used to answer the two sub questions in **Chapters 5** and **6.**

The conclusion of the thesis will follow in **Chapter 7**. In **Chapter 8**, the thesis itself will be reviewed and suggestions for additional research will be proposed.

2. ENERGY SECURITY

This thesis will analyse the energy security dimension of the Energy Union using the three schools of thought in Security Studies: realism, liberalism and the constructivist framework of 'securitization'. Before these approaches are explained, an analysis of the development of energy security is given and the difficulty of defining energy security is discussed.

2.1. INTRODUCTION TO ENERGY SECURITY

2.1.1. ENERGY AS AN SUBJECT OF SECURITY STUDIES

Like other security issues, energy security is studied in *Security Studies*, a subfield of International Relations (IR) that emerged during the Cold War. For a long time, IR was dominated by two main schools of thought: liberalism and realism (see 2.2 and 2.3). Back then, Security Studies had a very narrow focus on the military or geopolitical power of the state (Nyman, 2013). Other aspects with potential impact on national security, such as energy, were largely ignored. The relevance of energy was limited to its role as important recourse for the militarily during wars (Vogler & Stephan, 2013).

The first oil shock of 1973 however, showed the scholars of Security Studies that their idea of security was too limited (Horúcková, 2016; Barnett, 2013). The abrupt shutdown of oil exports by the OPEC had major effects on Western economies. Suddenly, a group of less developed countries with modest military power, used an energy resource to cripple powerful Western states (Van de Graaf, Sovacool, Ghosh, Kern & Klare, 2016). This was especially a shock for realists:

> *''Military force, the ultima ratio of international politics according to realists, was of limited utility to industrialized countries in resolving the most acute problems of the day - the monetary and oil crises.'' (Van de Graaf et al., 2016).*

Since the oil crises of the Seventies, there was a growing interest in energy as a security issue and both realist as liberal scholars started to include energy in their analyses. But the real widening of the agenda of Security Studies started after the geopolitical changes at the end of the century (Barnett, 2013). The introduction of the constructivist approach (see 2.4) and especially the work of the Copenhagen School

challenged the realist and liberal schools (Buzan, Waever & De Wilde, 1998). The Copenhagen School brought non-military threats to the debate and was not only interested in the security of the state, but in that of society as a whole. Realists and liberalists widened their scope as well and after this paradigm shift, energy security could develop into a niche of its own.

2.1.2. *Defining energy security*

Despite the development of energy security into a well-studied subject of Security Studies, a coherent idea on how to conceptualize or define energy security is still missing.[4] For example, Ang, Choong & Ng (2015) surveyed 104 studies and found 83 different energy security definitions. Just like other authors who did similar surveys (Chester, 2010; Ciută, 2010; Sovacool, 2011; Winzer, 2012 and Johansson, 2013), they conclude that the meaning of energy security is highly context-dependent. Different stakeholders, both academics as well as policy makers, have different perceptions of what energy security means.

Ciută (2010), Sovacool (2011) and Ang *et al.*, (2015) argue that the lack of a consistent definition is created by the strategic value of such a definition. Policy makers can apply their own notions in order to justify their actions and policies on energy security grounds. Ang *et al.*, (2015) state:

> *''It has been shown in some studies that the definition of energy security can be manipulated to promote various causes of action even within a single country. Hence, a possible future research area is to determine whether there is a correlation between a country's national circumstances, such as resource endowment, level of economic development and other factors, and how energy security is defined.'' (Ang et al., 2015, p. 1091).*

This thesis tries to follow their advice by looking at how energy security is presented by member states and which interests are pursued by doing so. Therefore, no specific definition is chosen, because choosing one could interfere with this analysis.

[4] Though in practice, this has not prohibited energy security scholars to produce a rapidly growing number of studies in recent years (Ang et al., 2015).

One aspect is determined though; this thesis will focus on the supply side of energy security. Although research on the security of demand exists, almost every definition focuses on the supply-side (Ciută, 2010; Johansson, 2013). Given the context of the EU as biggest importer of energy in the world (Šefčovič, 2016), this choice is justified.

2.1.3. *THEORETICAL APPROACHES ON ENERGY SECURITY*

The way energy security is conceptualized also depends on the used theoretical approach. In the following sections, the realist, liberal and constructivist approaches will be explained. Because energy security is evolved from Security Studies, each section will first discuss the approach in light of security in general, and secondly its application to energy security.

2.2. ENERGY SECURITY IN TERMS OF THE REALIST LOGIC

2.2.1. ***SECURITY IN TERMS OF THE REALIST LOGIC***

Realism is one of the main schools of thought on IR. Although realism is divided into several forms[5] with significant differences, they share some common ideas and assumptions. Realists view the international system as an anarchic environment of power struggles between states (Cohen, 1990, in Månsson, Johansson, & Nilsson, 2014). Realists have a pessimistic view of human nature and believe that international relations are necessarily conflictual. This state of affairs is an unchangeable fact and therefore realists are sceptic towards the idea of progress (Jackson & Sørensen, 2015).

In this anarchy, the state is the preeminent actor and there is ultimately no higher authority. Realists think that other actors, such as individuals or international organizations, are of little or no significance at all (Jackson & Sørensen, 2015).

According to realism, states know their interests and are always focused to pursue them for the sake of national security or even state survival. Because all other states pursue their own national interests as well, there can never be full trust between states

[5] Such as classical realism, neoclassical realism, neorealism and many others. Since the application of realism on energy security will soon follow and in the sake of clarity, the exact differences are not discussed.

(Jackson & Sørensen, 2015). For this reason, realists assume that states value relative gains over absolute gains; improvement is only real improvement as long as the position compared to other states improves (Cohen, 1990, in Månsson *et al.*, 2014).

2.2.2. *ENERGY SECURITY IN TERMS OF THE REALIST LOGIC: THE STRATEGIC APPROACH*

Applied to energy security, realism assumes that the international system is an anarchic world characterized by zero-sum competition between autonomous states over scare resources. The realist view on energy security, sometimes referred to as the 'strategic approach', focuses on interstate energy relations and assumes that energy has strategic value (Burrows & Treverton, 2007; Jirušek, 2015a).

In this approach, the 'referent object'[6] is always the state. In the realist world, characterized by competition and the possibility of conflict, access and control over (affordable) energy is seen as crucial for a state's autonomy and safety. That is why this approach focuses on the energy independence of states, via self-sufficiency or control over supply lines. Energy security must be gained through self-help and is reached when the domestic needs of energy are secured. If resources or supplies show more scarcity, realists predict that states will try to secure their access to a greater area with greater energy supplies (Dannreuther, 2013).

The search for autonomy even leads to states resisting interdependence relations with other states. Pursuing autonomy does not only create competition, it also hinders cooperation. Realists regard the international struggle for energy security as a zero-sum game in which a gain for one state, in most cases, means a loss for another. In case of energy, this means that when a state manages to acquire certain energy sources, these are lost for the others and therefore they become weaker (Jirušek, 2015b). Energy is seen as a crucial part of a state's autonomy and therefore states rather compete over it than cooperate. In some specific cases cooperation is possible, but, according to realists, in most cases it is unlikely.

[6] The referent object is a Security Studies term, meaning: the object that needs protection/security (Vogler & Stephan, 2013).

In contrast to the importance given to the strategic and geopolitical value of energy, the economic value is only included as a factor that could weaken the state's strategic position or power. The realist approach ''*refuses the economic logic of behaviour as the main determining factor of energy policy*'' (Jirušek, 2015b, p. 57). To realists, economic interdependence is nothing more than a threat to national security.

Some realist scholars, such as Klare (2008) and Manning (2000, in Nyman, 2013), even think that this competition over energy (and resources in general) will lead to resource wars[7]. National leaders are pressured to satisfy the energy needs of their state and tend to use all military and financial forces available (Klare, 2008). These ideas are exceptional and represent minority views in the energy security debate. Most other authors do not mention recourse wars, but for realists in general conflicts between states, including conflicts about energy, are always a possibility.

2.3. ENERGY SECURITY IN TERMS OF THE LIBERAL LOGIC

2.3.1. SECURITY IN TERMS OF THE LIBERAL LOGIC

Liberalism in IR theory has developed alongside the realist tradition and forms in several ways its counterpart. The liberal tradition[8] is characterized by optimism and a positive view on human nature. Liberalism focusses on international cooperation and pays more attention to the role of international institutions and economic relations. Liberalists believe in progress and think that the international system can become more peaceful (Jackson & Sørensen, 2015).

[7] Klare states that resources are getting scarcer, which leads to intense zero-sum competition and eventually conflict (Klare, 2008, p. 39). As recent as 2012 he published a book titled: 'The race for what's left: the global scramble for the world's last resources' (Klare, 2012). Only recently Klare changed his views. In his article 'From Scarcity to Abundance: The Changing Dynamics of Energy Conflict' (2015) he explains that the supplies of conventional energy sources are larger than commonly thought. He argues that despite this abundance, energy recourses will keep creating competition and conflict between states (Klare, 2015).

[8] Just like realism, the liberal tradition consists of several '-isms', such as sociological liberalism, institutional liberalism and republican liberalism (Jackson & Sørensen, 2015). Because only the application of liberal ideas on energy security is relevant for this thesis, the differences will not be discussed.

Whereas realists think that states always try to resist interdependence, the liberal school assumes that there will always be a degree of interdependence and that states cannot escape this. On the contrary, they think that interdependence can lead to cooperation. Instead of competition and power struggles as the only possibility, liberalists believe that cooperation between states will or can emerge if mutual benefits are achieved (Cohen, 1990, in Månsson *et al.*, 2014). Liberalists assume that states value absolute gain and are not demotivated to cooperate because the other state gains relatively more[9].

In most cases this interdependence consists of economic relations. As mentioned earlier, realists see economic factors only in the light of a state's strategic position. For liberalists, economic aspects play a far more important role. So important that they see the economy as the referent object of security and not the state, as is the case with realists. Moreover, this can be the national economy, but just as well the global economy or the economic consequences for an individual. Contrary to realists, liberalists attribute a significant role to non-state actors as well. Security of any of these actors is not based on their strategic or military position, but on their economic position. The actor is secure if there are no threats to the economy and the economic relations. The liberal paradigm focuses on the role of the market in organizing the international relations while international institutions help to reduce the trust deficit of the originally anarchic system (Jackson & Sørensen, 2015).

2.3.2. *ENERGY SECURITY IN TERMS OF THE LIBERAL LOGIC: THE MARKET APPROACH*

Liberalists focus on market forces that allocate energy resources. The market facilitates the relations between energy producing and consuming states. Actors from both sides communicate through economic transactions and try to secure their energy sales/needs. Liberalists believe that states cannot fully control the market, since it is operated by other actors as well, such as energy companies and international organizations like the WTO. Some authors, like Nordhaus (2009, in Jirušek, 2015b)

[9] Contrary to the realist believe that states are only interested in relative gains (Cohen, 1990, in Månsson, Johansson & Nilsson, 2014).

argue that governmental influence on the energy market is ineffective and a disruption of the mechanism. That is why they promote the idea that states let the energy market do its job. An example of policies inspired by this worldview is the liberalization and privatization of electricity supply (Van de Graaf *et al*., 2016). Liberalists who abstain from normative remarks like these, simply state that the realist approach overestimates the capacity of states to influence and control these markets and that liberalization is the only logical outcome (Dannreuther, 2013).

Although liberalists focus on the economic factors of energy instead of the (geo)political ones, energy sources are not considered as particularly unique commodities. Realist warnings of the scarcity of energy sources should not be feared according to liberalists like Adelman (1973, in Jirušek, 2015b). Adelman argues that energy supplies are dictated by prices and if those prices rise, new technologies will come up to offer alternatives or find new reserves.

Carter and Nivola (2010) have a strong trust in the market and they deem the use of stopping energy export as a foreign policy tool as ineffective. They show, on the basis of graphs of oil prices and imports, that the US boycott of Iranian and Sudanese oil had no effect on these countries. They simply sold their oil to other states. Likewise, if an 'oddball ruler' decided to stop selling oil, this would hurt the consumers' economy, but wreck its own: *''even the likes of Ahmadinejad and Chávez show no signs of pursuing a course so masochistic''* (Nivola & Carter, 2010, p. 111).

Dannreuther (2013) however, argues that while this might be the case for oil, other recourses, especially gas, are traded in different ways. The gas market is far less flexible and liberalized, especially in Europe, because of long-term trade relations and bilateral deals. These deals are characterized by destination clauses and price differences. Also, gas is traditionally transported using pipelines, which ties consuming and producing states to each other and hinders liberalization. But with the recent emergence of liquefied natural gas (LNG) and non-conventional gas alternatives, this could change in the future (Dannreuther, 2013).

2.4. ENERGY SECURITY IN TERMS OF THE SOCIAL CONSTRUCTIVIST LOGIC

*2.4.1. **SECURITY IN TERMS OF THE CONSTRUCTIVIST LOGIC***

Social constructivism (in short: constructivism) is the third main theoretical tradition discussed in this thesis. Nicholas Onuf introduced the term in 1989 (in Agius, 2013) to the IR debate, challenging the existing rationalist theories of realism and liberalism. These theories are rationalist because they presume rational actors that react to the material circumstances of the world. These circumstances are objective, a given fact, and they determine the actors' actions. Constructivists however, argue that that the most relevant aspects of international relations are social, not material. The circumstances are not fully objective facts, but are interpreted and perceived in a specific way by the actors. When actors act according to their perception, they even influence the material circumstances[10] (Agius, 2013; Jackson & Sørensen, 2015).

Because actors' believes and ideas form the international system, the system can and will change, the moment the believes and ideas do. This is why Alexander Wendt (1992, in Agius, 2013), one of the main authors of constructivism in IR, states that *''anarchy is what states make of it''*. Wendt means that if we exist in a world of anarchy, it is because we believe we do and act accordingly, making it a self-fulfilling prophecy. While realist and liberalist scholars argue about the natural state of the world and how actors do (or should) act accordingly, constructivists argue that there is no natural state and that scholars who believe there is, are actually constructing it as such (Agius, 2013).

Suddenly, realists and liberalists turned out to be on the same side of a new debate, the debate between rationalists and constructivists.[11]

When studying security, constructivists focus on identity and interests. In short, they believe that the identity of a state and its interests are socially constructed and can

[10] In the so called agency-structure, these authors follow a view similar to that of Anthony Giddens, in which actor and structure mutually influence each other.

[11] Although many authors actually mix constructivists ideas with their realist or liberal background or vice versa. Ole Waever and Barry Burton for instance, who wrote the influential and largely constructivism-based book *Security: A new Framework for Analysis* together, even have opposing backgrounds, with Waever being a liberalist and Burton a realist (Buzan *et al*., 1998).

change over time. Because the identity and interests are not fixed, no threat is permanent and objectively true. A state's security will depend on the identity and how the state's interests are defined (Agius, 2013). Some constructivists argue that this constructed reality of security functions as an arena, where different voices seek to 'securitize' their specific understanding of risks and threats (Dannreuther, 2013; Dannreuther, 2015). This concept, securitization, has been developed by the Copenhagen School and has been credited to being the most important constructivist contribution to Security Studies (see for example Dannreuther, 2013; Emmers, 2013; Szulecki, 2016 and many others).

2.4.2. *The Copenhagen School*

Barry Buzan, Ole Waever, Jaap Ter Wilde and other authors, commonly referred to as the Copenhagen School of Security Studies, are responsible for two major shifts in Security Studies' thinking. As mentioned earlier, the Copenhagen School, Buzan in particular, played a significant role in the widening of the scope of Security Studies. The second important innovation was the concept 'securitisation', first coined by Ole Waever in 1995 (in Szulecki, 2016).

In their influential book '*Security: A new Framework for Analysis'*, Buzan *et al.* (1998, p. 23) describe securitization as *''the move that takes politics beyond the established rules of the game and frames the issue either as a special kind of politics or as above politics.''* To come to this idea, the Copenhagen School starts from the constructivist assumption that security problems or threats are not the product of objective or purely material conditions (Szulecki, 2016). Instead, a security problem is determined by 'securitizing actors'. These actors securitize issues by declaring something, the referent object, existentially threatened. Political leaders, bureaucracies, governments, lobbyists and pressure groups are likely to be securitizing actors (Buzan *et al.*, 1998).

According to the Copenhagen School, the social construction of a security problem can be traced through examining the political discourse for security 'speech acts', a concept Waever burrowed from linguistic sciences (Buzan *et al.*, 1998). A speech act is defined as ''*the discursive representation of a certain issue as an existential threat to*

security'' (Emmers, 2013, p. 134). The speech act is seen as the starting point of securitization. A speech act can even transform an issue into a security issue when there is no real threat in material terms. The used language has more impact than the thing that is referred to. *''By saying words, something is done''*, state Buzan *et al.* (1998, p. 26), explaining that the utterance of a speech act is indeed an act, instead of merely a description.

The simple use of the word 'security' does not make it a speech act. It is essential to name something a threat that requires immediate action (Buzan et al., 1998) and this has to be accepted by a relevant audience (Emmers, 2013; Judge & Maltby, 2017). The 'securitizing actors' are successful when they convince the wider audience that the issue can no longer be seen as just an economic and political issue that can be solved following normal political procedures, but rather represents an existential threat to national security (Dannreuther, 2013).

The securitization has effect when its claims are reproduced in the wider political discourse and clear the way for extraordinary measures which *''break the normal political rules of the game''* (Buzan *et al.,* 1998, p. 24). In other words, a policy that under normal circumstances would not be accepted, becomes reasonable and necessary because of the sense of urgency that is given to the security issue (Judge & Maltby, 2017). According to Buzan *et al*. (1998), the actual implementation of these measures is not a requirement for securitization. An issue is securitized even if the securitizing actor decides to deal with the issue using normal political procedures, as long as the relevant audience is convinced that it is indeed a security issue (Buzan et al., 1998). Emmers (2004, in Emmers, 2013) does not agree and argues that securitization consists of both successful speech acts as well as the adoption of emergency measures to address the so-defined threat. This thesis will halt in the middle, focusing on whether security measures are proposed, but without the condition that they actually have to be adopted, because the proposals of the Energy Union are still in the making.

Emergency measures sounds extreme, but they do not have to be. For instance, a new tax could be such a measure as well (Buzan *et al.*, 1998). The important thing is that the measure breaks the pre-existing consensus. They deviate from the political norm, which would not be possible without securitizing the issue.

Because of this deviation from the political norm, securitization is different from politicization. According to the framework of the Copenhagen School, issues can be categorized into three groups. An issue can either be non-politicized, politicized or securitized (see Figure 2). When an issue is non-politicized it is not a matter that requires state action and it is not included in the public debate. If an issue becomes politicized, via a process similar to securitization[12], it becomes part of the public debate and the issue is managed in the standard political system. As explained, an issue becomes securitized if a referent object is framed as being threatened and in need of immediate actions beyond the standard political procedures.

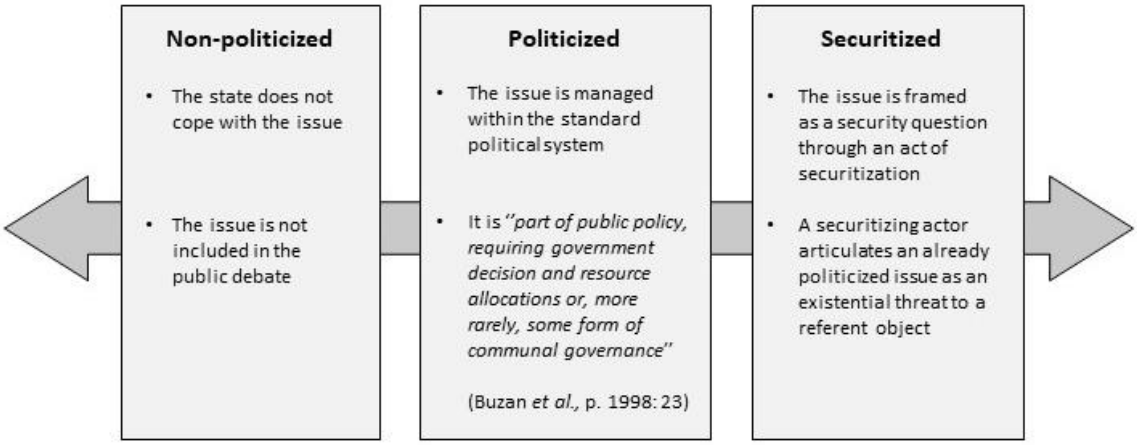

Figure 2: The securitization spectrum (based on a figure in Emmers, 2013)

This spectrum is not a one-way street though. An issue can also be depoliticized or *desecuritized*, referring to the reversed process. This happens when an issue is taken out of the emergency mode and into the normal political sphere. Emmers (2013) mentions the end of Apartheid in South Africa as an example of the desecuritization of the issue of race.

[12] Buzan *et al.* even describe securitization as ''a more extreme version of politicization'' (1998, p. 23).

2.4.3. *Applying securitization to EU energy security*

Although the Copenhagen School is responsible for widening the security agenda and indirectly inspiring others to incorporate energy in their studies, they never applied securitization to energy themselves (Boersma, 2015). Actually, there are only few scholars who did this so far, making it one of the less explored areas in security literature (Ozcan, 2015).

Michal Natorski and Anna Surrallés were one of the first scholars to apply securitization to energy security, using the EU as case in their research (Natorski & Surrallés, 2008). Just like the few scholars that followed them, such as Judge and Maltby (2017), Ozcan (2013; 2015) and Trombetta (2012), they used the theory without altering it specifically for energy.[13]

In principle, securitization theory assumes that any issue can be socially constructed as a security issue. However, both Natorski and Surrallés (2008) as well as Trombetta (2012) conclude that applying securitization theory to energy is difficult. Natorski and Surrallés (2008) explain that energy is particularly elusive because it can be securitized in different ways. Energy can be framed as part of all the sectors that are typically the subject of securitization studies; military, environmental, economic, societal. Furthermore, Natorski and Surrallés argue, the referent object of energy security can range from the individual (for instance the consumer) all the way to the systemic level (for instance the global energy market). All these different options make it difficult for securitizing actors to effectively securitize energy in their preferred way (Natorski and Surrallés, 2008). These overlapping understandings of security in the energy sector make it difficult, but not impossible, for researchers to apply the theory (Natorski & Surrallés, 2008; Trombetta, 2012).

Judge and Maltby (2017), Natorski and Surrallés (2008), Ozcan (2015) and Trombetta (2012) all agree that the EU institutions and the EU member states securitize energy in different ways. Because energy is securitized differently, actors propose different

[13] This thesis will not make adjustments either, but agenda framing theory will be added to the analysis, see Chapter 3.

measures to secure energy. Natorski and Surrallés even argue that because the European Commission tried to securitize energy, the member states started to realize their vulnerability and opted for a continued sovereignty. Natorski and Surrallés explain:

> *''Ironically, member states actually shared the views of both the Commission and the EP concerning the evolution of energy as a vital security concern. However, this security framing of energy is precisely what justified their reluctance to (1) transfer competencies to the supranational level and (2) increase the level of intergovernmental cooperation within the EU on these issues.'' (Natorski & Surrallés, 2008, p. 83).*

The other authors (Judge & Maltby, 2017; Ozcan, 2015; Trombetta, 2012) do not argue that the Commission's efforts had a reverse effect, but do agree that the securitization did not have the intended result. The speech acts of the Commission and the EP could not pursue the member states to agree with special measures or a common energy approach. Judge & Malty (2017) think that the different views on security energy will limit the potential of the Energy Union.

Aside from all this agreement, there is a scholar with a very different view. According to Jegen (2014), there is no ambiguity when it comes to the securitization of energy. She attributes the failure to implement an EU-wide energy strategy to *institutional* and *material limit*s, rather than different securitizations of energy. According to Jegen, the securitization of other issues only worked because the EU already had the legitimacy and the means to deal with them. Energy security however, is not an EU competence (the institutional limit) and the member states follow their own interests (the material limit). In other words, Jegen follows a realist approach instead of a constructivist one. She states that it is *''not the content of the […] framing that is problematic, but its lack of institutional and material support.''*(Jegen, 2014, p. 18). She basically states that no matter how good the securitization went, material and institutional factors still determine what happens.

2.5. CONCLUSIONS ON ENERGY SECURITY

The discussed approaches to study energy security are summarized in Table 1.

Approach	Summary
Realist	Assumes that energy has strategic value. States search for autonomy and resist interdependence. Economy is only seen as a factor of a state's power.
Liberal	Assumes that energy is organized by market forces. States cannot fully control the market, since it is operated by other actors as well. Energy resources are no special commodity and therefore, the market will secure the supply of energy. Stopping export as a foreign policy tool as ineffective.
Securitization theory	Assumes that energy can be securitized using speech acts that try to convince that the society is at risk. Special measures are the only possibility to avert the threats. Energy can also be a politicized or non-politicized issue.

Table 1: Conclusions on energy security

This thesis will use securitization as a starting point, since this approach is the least studied when it comes to energy. Maybe some contribution to this lacuna in the literature can be made. But before jumping to the empirical part of the thesis, agenda setting needs to be discussed. Not only is the Energy Union still in its agenda-setting phase, agenda-setting theory has turned out to be helpful when analysing securitization, the concept of framing in particular.

3. AGENDA-SETTING

Following the securitization framework, the way energy security interests are presented can influence decision making outcomes. Agenda-setting[14] theory focusses on this pre-decision phase and in the light of securitization, the framing theory of Sebastiaan Princen (2011) is especially interesting. Specific lobbying methods will not be analysed in this thesis to keep a clear research scope. Instead, the influence of framing on agenda-setting will be discussed because this forms a valuable addition to the theory discussed in Chapter 2. Before discussing Princen's work in Chapter 3.2, theoretical basics of agenda-setting will be introduced.

3.1. INTRODUCTION TO AGENDA-SETTING

Scholars that study agenda-setting are not so much interested in the final decisions, but rather in the issues that decision makers take into consideration, regardless of whether they include these in their decisions (Princen, 2011). Only when looking at all considered issues, the researcher gets a full view of the agenda-setting process. About which issues do policy makers think, talk and write, before they reach their decisions? These questions are central to agenda-setting studies.

> *''Agenda-setting is not concerned with the actual decisions that are taken, but with the issues that decision-makers devote attention to: the issues they talk about, think about, write about and take into consideration.'' (Princen, 2009).*

But what exactly is 'the agenda of the EU'? In the literary sense, each institution has its own agenda, at meetings for example. In case of agenda-setting theory, the agenda is a more abstract term describing the *''set of issues that are seriously considered in a polity''* (Princen, 2007, p. 28). The agenda of the EU, this is the set of issues that is considered and discussed by the different institutions of the EU.

[14] There are two separate branches of academic research involved with agenda-setting. The field of communication science focusses on the agenda of the 'media' or 'public', while political scientists study the 'policy' agenda (Walgrave & Van Aelst, 2006). Because this thesis focusses on the policy agenda of the EU, theories from communication science are not discussed.

Before an issue appears on the agenda, it goes through a process of agenda-setting. According to Princen, *''agenda-setting is about having an issue considered by policy-makers.''* (Princen, 2011, p. 927). The Energy Union project is so extensive though, that in a way all actors were successful in setting the agenda. All energy related policy fields receive attention. The reason that all subjects are included on the Energy Union agenda is precisely because this is its purpose: integrating different energy related policy fields into one project (European Commission, 2017d).

But if the issues on the agenda of the Energy Union are already determined, why bother analysing them? In this regard, John Kingdon (1984, in Herweg, 2017) makes a useful distinction. He separates the 'governmental agenda', the set of issues that are discussed in a political system, from the 'decision agenda', the set of issues that are up for active decision making. In case of the Energy Union, thus far only the governmental agenda has been set. The themes for the governmental agenda of the Energy Union are indeed set. Yet, the specific issues inside those themes are still up for debate and therefore can still appear or disappear from the decision agenda. Henceforth, this thesis will only discuss agenda-setting in the sense of the decision agenda.

Besides, all energy related policies being listed at the Energy Union agenda, does not mean that actors are passive for the remaining legislative process. According to Princen (2011), actors are also active to try to get issues *off* the agenda. In case of the Energy Union, it is possible that actors argue that things should not be on the agenda.

3.1.1. AGENDA-SETTING ACTORS

Who sets the agenda? There are two answers to this question, depending on how narrow or wide agenda-setting is defined. Pollack (1997, in Bocquillon & Dobbels, 2014) introduced a distinction between *formal* and *informal* agenda-setting. Informal agenda setting includes all actions that influence which issues are on the agenda. The group of informal agenda setters is large, but not strictly defined. It includes interest groups, member state representatives, EU institutions and bodies, politicians, and others (Bocquillon & Dobbels, 2014; Princen, 2011).

Formal agenda-setting on the other hand, only entails the actual control and approval of the issues that gets considered. It is difficult to determine who has this formal agenda-setting power in the EU. According to the treaties, the European Commission has the exclusive right over legislative initiatives (Article 17 Treaty on European Union, Alexandrova, 2014). This has led to the perception among some scholars that the Commission is the sole and central actor in EU agenda-setting (Alexandrova, 2014).

Others point to the European Council as main agenda setter (Bocquillon & Dobbels, 2014). Even before it's formalization in the treaty of Lisbon, the European Council has showed leadership and steered the direction and pace of European integration. Since Lisbon, this has become the official task of the European Council: provide the Union with 'impetus', 'general political directions' and 'priorities' (art. 15 TEU, in Bocquillon & Dobbels, 2014). This is somewhat ambiguous with article 17 TEU, which states that the Commission must carry out its responsibilities 'completely independent' and that the Commission 'shall neither seek nor take instructions from any government or other institution, body, office or entity' (Bocquillon & Dobbels, 2014).

This ambiguity has caused debate among scholars. Some argue that in practice there is a clear division of labour and the Commission is simply the administrative body of the European Council; the latter provides the input and guidelines while the Commission translates these into concrete legislative proposals. This view is illustrated using the principal-agent model. The European Council acts as a principal that delegates power to the agent, the Commission, who launches the legislative process and monitors its implementation. Delegating takes place in the form of the conclusions of the summits. According to this view, the Commission is practically nothing more than the 'secretariat' of the European Council, who lacks the administrative capabilities to do it themselves (Wessels & Höing, 2013).

Indeed, the European Council is much more involved with the agenda setting process than only setting out general political guidelines. They often request reports and proposals from the Commission, even with instructions about their form (Eggermont, 2012, in Bocquillon & Dobbels, 2014). In fact, the Commission has admitted that only

about 10 percent of their proposals are proper initiatives from themselves (Werts, 2008; in Alexandrova, 2014).

At the other hand, the conclusions of the European Council summits are often quite general or even vague, leaving much room for interpretation, which enables the Commission to steer the issue according to its own preferences (Alexandrova, 2014). In addition, the principal agent view, sees the relation between the European Council and the Commission as a one-way street between two independent institutions. In practice, both institutions influence each other's position and in many cases their relation is collaborative rather than competitive (Bocquillon & Dobbels, 2014).

That is why Bocquillon and Dobbels (2014) propose an alternative approach: *'the joint agenda setting approach'*. Their approach is based on the idea of mutual dependence. As stated before, when the Commission wishes to successfully launch ambitious initiatives, they need the political backing of the European Council. The legitimacy of the European Council strengthens the position of the Commission during the negotiations with the Council of Ministers and European Parliament. At the same time, the European Council has internal differences and infrequent meetings and therefore needs the Commission to initiate and steer the legislative process and to monitor its implementation. The European Council depends on the ideas and proposals of the Commission, which gives the Commission the opportunity to set and shape the EU's agenda in its own terms (Bocquillon & Dobbels, 2014).

Also, the Commission is involved with drafting the concepts for summit conclusions and provide other preparatory documents that are examined by the European Council. During the summits, the ideas of the Commission are altered and shaped according to the national positions, although often the changes are limited because the Commission drafts its ideas in cooperation with some or all member states. Bocquillon and Dobbels summarize their approach as follows:

> *''In sum, the tandem European Council–Commission can be conceptualized as a joint agenda setter. This approach portrays a reciprocal relationship that is mutually beneficial and, therefore, fairly well accepted by both parties, especially as its smooth functioning is key to legislative productivity'' (Bocquillon & Dobbels, 2014, p. 27).*

This thesis will focus on the European Commission as the formal agenda-setter of the Energy Union. Analysing the European Council would require analysing all member states or its generalized conclusions. Besides, following Bocquillon and Dobbels' idea, the European Council is as an agenda-setter connected to the European Union. Furthermore, because the Visegrad states are central to this thesis, analysing the European Council as an actor on its own would not make sense, since the Visegrad states are part of that institution.

3.2. AGENDA-SETTING AS A COMBINATION OF VENUES AND FRAMES

In recent years several scholars have applied theories on agenda-setting, which traditionally focus on the U.S. system, to the EU context[15]. In the light of what has been discussed on energy security in Chapter 2 however, the examination of agenda-setting concepts will be limited to just one. A very relevant one though: the idea that agenda-setting is a combination of venues and frames.

Originally, Frank Baumgartner and Bryan Jones developed the notion of 'policy images' and 'institutional venues' to explain the agenda-setting process in American Politics (Baumgartner & Jones 1991, 1993, 2002 in Stephenson, 2012). Princen (2007, 2009, 2011) and Stephenson (2012) have built on their work and applied it to the EU system. Princen (2009) succeeds to summarize his ideas in one sentence:

> In its most elementary form, agenda-setting theory stresses that *what* is being talked about depends on *who* is doing the talking. *(Princen, 2009, p. 10, emphasis is original).*

There are two ways how the 'who' influences the 'what' on the agenda. First, the venue. With 'venue' Princen follows Baumgartner and Jones (1993, in Princen, 2011) who coined this term to describe a 'distinct political arena' in which policy is made. Which actors are active in the venue has a great impact on which issues are on the agenda. Princen (2009) provides the example of letting a group of environmentalists or a group of industrialists develop the agenda. The list of issues will probably be

[15] These include concepts like 'policy streams' (Kingdon, 1984) and 'issue careers' (Cobb *et al.* 1976, both in Stephenson, 2012).

different. For the EU, many venues can be identified (such as the Commission's DGs, Council- or Parliamentary working groups), but even the EU as an venue of itself can be open for debate. This touches upon the issue of subsidiarity.[16] It is possible that member states argue that this principle is neglected in case of the Energy Union.

Besides, even if some issues correspond, they will be discussed in a different way. This is where the second way of how the 'who' influences the 'what' comes in play: the frame. The frame concerns the way an issue is defined, or framed. According to Princen (2009), almost any issue can be defined in more than one way. An actor that wants to determine the agenda can actively frame issues in certain ways, controlling which venue and how the issue will be discussed.

Another reason to frame an issue is to mobilize potential supporters. In that case the issue needs to be defined in terms that appeal to those supporters. Because the framing of an issue determines who is involved and how issues are approached, Princen (2011) argues that issue framing is at the core of agenda-setting.

3.3. Combining securitization theory with agenda framing theory

It does not require much fantasy to realize that these two concepts have a lot in common. Yet, there are no references made by scholars from either side about the similarities between the two. Outside of agenda-setting theory, there are a few scholars of framing theory in general that connect the two. Watson (2012) was the first scholar that compared both theories and according to Pinto (2014), the similarities were obvious to scholars working on framing even before Watson's contribution.

Yet, none of them specifically links securitization and framing in purpose of agenda-setting, nor energy security. This thesis will try to discover how combining both theories can contribute to analysing the agenda-setting of energy security. In the best case scenario, this leads to a tangible contribution to both theories.

[16] The principle of subsidiarity states that action at EU level is justified in light of the alternatives at national, regional or local level.
See http://eur-lex.europa.eu/summary/glossary/subsidiarity.html?locale=en.

3.4. Conclusions on agenda-setting

The framework of Princen (2011) assumes that any issue can be defined in more than one way. Framing influences the way how and venue in which an issue is discussed. An actor can also try to mobilize supporters of an issue through framing. Theories on the framing of the agenda, like the one of Princen, have not yet been linked to securitization theory.

4. THE RESEARCH DESIGN

4.1. SETTING UP THE RESEARCH DESIGN

The research design is based on the research problem and the discussed literature. The research will follow the logic of securitization theory to answer sub question 1:

- How is energy security presented by the four Visegrad governments and the European Commission?

Applying securitization means selecting 'securitizing actors'. This thesis has selected five actors: the European Commission and the four Visegrad member states. Tracing how energy security is presented by the actors involves looking at the threats they identify. Are the measures they support evidence of their securitizing moves? The realist and liberal schools are included in the analysis as well, to see if these approaches are better suited to understand the way energy security is presented. This sub question will be answered in Chapters 5 and 6.

Secondly, the implications of energy security on the agenda of the Energy Union will be analysed to answer sub question 2:

- Are the dimensions of the Energy Union agenda regarded as harmonious or conflicting with the energy security interests of the Visegrad states?

Whether energy is securitized and how the agenda issues are framed will impact whether these member states and the Commission see them as either harmonious[17] or conflicting. It is also important to check whether actors steer the energy security issue towards a particular venue, trying to get issues off the agenda on the ground of subsidiarity. This sub question will be answered in Chapter 6.

To trace how energy security is presented by actors in their official discourse[18] and how this relates to the other dimensions of the Energy Union agenda, every actor is studied

[17] For reasons of simplicity, if issues are regarded as unrelated, this counts as 'harmonious', since this does not obstruct the Energy Union project.

[18] Note that discourse in this occasion only refers to the communication of the V-4 government and the Commission. This research should not be confused with the research method *discourse analysis*.

using two research methods: in-depth interviews and document analysis. Both methods will follow a qualitative research design. The choice for a qualitative approach is based on the objective of the research. Identifying whether energy security is securitized and how this relates to the agenda of the Energy Union requires a detailed and context-sensitive approach. A qualitative design is better suited for the acquisition of such data than a quantitative one, because respondents can immediately place their answers in the right context.

4.2. IN-DEPTH INTERVIEWS

Respondents were not directly asked whether they felt if their or others' idea of security was socially constructed or not. This could impact their objectivity towards that question. Instead, respondents were asked how they would describe their energy situation.

One respondent is selected for every actor. Contact details of these respondents were found via the four Embassies of the Netherlands[19] in the Visegrad states. An overview of all respondents can be found in Table 2, page 44.

The used form of interviewing is in-depth and semi-structured. In-depth interviews are an effective method to understand the story behind someone's actions or thoughts. The respondent can add context to his or her answers and emphasize things when necessary (Flowerdew & Martin, 2005). In preparation of the interview, a list with subjects and questions is made, customized to the specific actor. However, the interview can deviate from this list, if the conversation leads to unanticipated directions, making the interview semi-structured (Flowerdew & Martin, 2005). This way, it is possible to elaborate on interesting answers and results. This is of value, because the reality and the experiences of the respondents can differ greatly from the theory-based expectations.

[19] Because the research was conducted during my internship at the Dutch Embassy in Bratislava, I could ask my colleagues and the employees of the other embassies for contact details. They only delivered me the details, all other communication was done by myself.

4.2.1. *Analysing the interviews*

All interviews are recorded with permission of the respondents. These recordings are transcribed quite literary, excluding ‘ums’, hiccups, mistakes and other obvious meaningless content. The transcripts really represent what is said.

With the use of the software NVIVO, these transcripts are coded, meaning that responses dealing with the same subject are merged into the same category (called a node in NVIVO). This was necessary because some subjects were discussed in different parts of the interviews, due to the semi-structured set-up of the interviews. In addition, this makes it easier to compare the answers of the different actors. These nodes formed the base for analysing the results.

Each interview is coded in a separate file using five groups of nodes (see Figure 3). The group ’Energy security’ contains segments that answer the first sub research question. The group ’Conflicting goals’ contains information on whether the actors consider the dimensions of the Energy Union to be harmonious or conflicting. Information on whether this differs between the Visegrad states is grouped under ‘Visegrad’. These two groups answer the second sub question. The groups ‘On other countries’ and ’Additional info’ are self-explanatory and help answering both sub questions. One same segment can be coded multiple times.

Nodes

Name	Sources	References
Additional info	1	3
Conflicting goals general	1	3
Conflicting goals - energy	1	3
Conflicting goals - market	1	3
Conflicting goals - sustainability	1	2
On proposals	1	2
Energy security - general	0	0
Dependency - electricity	1	4
Dependency - gas	1	9
Dependency - nuclear	1	3
Dependency- oil	1	1
transit	1	2
on other countries	0	0
on czech republic	1	6
on hungary	1	3
on poland	1	4
Visegrad	1	1
Visegrad disharmony	1	2
Visegrad harmony	1	3

Figure 3: Overview of nodes used for analyzing the interviews, example of Slovakia.

4.2.2. LIMITATIONS OF INTERVIEWING

Although insightful results are expected, qualitative research methods tend to score low on representativeness (Bleich & Pekkanen, 2013). Other respondents within the population, that have not been interviewed, can have different approaches, experiences or opinions on the same matters. If other people were selected, for instance colleagues from other departments or people higher/lower in ranking, the results might be different.

Another limitation might be the language barrier. The interviews are conducted in English and both the interviewer as the respondents are not native speakers. This can have impact on the accuracy of the answers or their interpretation during the analysis, causing a loss of nuance (Fujii, 2013).

Both limitations are lessened by supplementing the research of the document analysis.

4.3. DOCUMENT ANALYSIS

Document analysis is not as straightforward as it may sound. As a scientific research method, there are some guidelines to take into consideration. Zina O'Leary defines document analysis as the ''*collection, review, interrogation, and analysis of various forms of text as a primary source of research data*'' (O'Leary, 2004, p. 177). O'Leary has two recommendations.

Firsty, it is important to consider the kind of data you want to gather before starting the research. In this thesis, the documents are used to determine whether energy issues are securitized and if so, whether this differs from actor to actor. The data consists of the way in which the issue is presented or described in documents and which measures are presented to deal with energy isseus. In his contribution in a methodological book for EU studies, Princen (2015) specifically names document analysis as a useful method to analyse how political actors define and construct issues. He explains that documents *''lend themselves well to in-depth analysis of framing processes and strategies*'' because they ''*contain extensive and systematically argued accounts of issues*'' (Princen, 2015, p. 128).

Secondly, based on the choice of data, O'Leary (2004) recommends to specify which types of documents to study and how to collect them. This thesis has only studied documents that are published in 2009 or later, since a lot has changed after the 2009 Gas Crisis. For each member state, the most recent policy plans for 'energy' and 'national security' have been selected. Furthermore, the Visegrad presidency programs of each member states have been analyzed. Statements, papers and proposals that were published in reaction to the Energy Union have been selected as well. Documents pubished by the European Commission to inform the progress of the Energy Union were used to analyse the Commission as an actor.

Additionally, one secondary source is added to the document analysis. This is an internal report of the Dutch Ministry of Foreign Affairs, drafted by the Dutch Embassies in the four Visegrad countries. This document was drafted to identify the positions of the Visegrad countries regarding the Energy Union and to find out whether they are

likely to jointly try to influence the decision-making in Brussels. Their analysis was based on interviews with contacts inside the four governments. Due to the sensitive nature of this document, the content is only paraphrased and the report is added in a separate attachment (see separate attachment 2). Because this is a secondary and non-scientific source, it is mainly used to confirm or clarify the own data.

4.3.1. *Analysing the documents*

The actual analysis followed roughly the same structure as the analysis of the interview transcripts. The same coding method and nodes are used for the documents (see Figure 3). Per actor, one file was used for all documents. The amount of data is larger, but in contrast to the transcripts, some documents were only partly useful because they dealt with other matters too.

4.3.2. *Limitations of document analysis*

The researcher has an inevitable bias when selecting the documents of the Visegrad governments. After all, only documents available in English are included. This means that data that is only accessible in the local language, is missing. Furthermore, when choosing to translate a document or not, the governments might take into consideration that documents in English will be read by a different audience. This could mean that some information is deliberately not available in English. One way to lesson this limitation is to diversify the selection of documents as much as possible. Besides, the potential difference between the two sets of data (all documents in English vs all documents in Polish for example), is not expected to be critical to the outcome.

4.4. A quick overview of the course of the research

The goal to interview each actor has not been accomplished. The contacts at the Hungarian ministry were not interested in participating or referring other contacts. The Czech contact was very helpful, but preferred to fill in a questionnaire instead. He added that this would be more productive as well, because the Czech *Department of Strategy and International Cooperation in Energy* has many employees, each with their own expertise. The Czech respondent asked his colleagues to fill in the questions about

their area of expertise. The questionnaire contains 21 questions and is based on the list made for the original interview (see attachment 10.3).

The other three interviews went according to plan. The interview with two respondents of the Slovak government and with Ms Vašáková, of the Representation of the European Commission in Slovakia, were both conducted in Bratislava. The interview with the Polish respondent was conducted over the phone. Except from Ms Vašáková, all respondents wished to remain anonymous. Their identity and function can be found in a separate attachment (Separate attachment 1). Table 2 is an overview of the interviews and questionnaire.

Source	Actor	Date	Length	Repondent's name
Interview S	Slovakia	12/06/2017	95 minutes	Two respondents, both anonymous, see separate attachment 2
Interview EC	European Commission	20/06/2017	42 minutes	Lívia Vašáková, Economic Counsellor at the Representation of the European Commission in Slovakia and former expert at the DG Energy of the European Commission
Interview P	Poland	27/06/2017	46 minutes	Anonymous, see separate attachment 2
Questionnaire CZ	Czech Republic			Anonymous, see separate attachment 2

Table 2: Overview of interviews

The document analysis went according to plan, but the collected data was far too extensive to be used entirely. Only the most interesting segments are used for making the arguments of the analysis. An overview of all the documents can be found in attachment 10.1. These documents are not listed in the reference list of 'Chapter' 9.

4.5. LIMITATIONS OF THE FOUND RESULTS

Before discussing the results in the next chapter, some remarks regarding its validity need to be made. A good comparison requires that every case is studied in the same way if possible and otherwise in at least the most similar way (O'Leary, 2004). In this case however, one actor, the government of Hungary, is even missing from the interviews. From the document analysis and the other interviews, some idea of the Hungarian situation is sketched, but without an interview with a Hungarian

representative, the results on Hungary cannot be accurately compared to the other actors.

To a lesser extent, the same goes for the Czech Republic. Since this actor is not investigated via an interview, but via a questionnaire, the results are less suitable for comparison. At the other hand, because the whole department helped answering it[20], the results might be more representative for the Czech case though.

The upside is that the research showed that the Visegrad countries do not share one common approach to the Energy Union. This means that a full coverage of the Visegrad group is not vital anymore. Instead of a study of the Visegrad Group, the research has become a study of four Central European member states, some of which are studied more extensively and allow better comparison than others. The results on Hungary and the Czech Republic are a nice supplement, helping to understand the energy security context in the region. The results on Slovakia, Poland and the Commission still allow for an analysis on securitization and framing activities, suitable for a master thesis.

One last remark must be made in regard to the interview with the Polish respondent. This interview was conducted over the phone, while the other two were in a face-to-face setting. This creates a different atmosphere and might lead to different answers. Additionally, maybe some essential non-verbal signs were missed (O'Leary, 2004).

[20] According to mister Smejkal of the Czech government.

5. VIEWS ON ENERGY SECURITY

So far, energy security in this thesis is described in general and abstract terms. Before delving into the actual research, some basics about the EU's energy situation has to be explained. But how can anything be presented as an objective fact, if the purpose of the research is to determine how energy security is socially constructed? The securitization theory is indeed a product of the constructivist school of thought. Yet, as Barry Buzan and Ole Wæver, creators of the theory have outlined, their constructivist ideas are mainly related to the concept of security itself. In other words, they look at how social constructs, such as a securitized issue, can impact the physical reality. At the same time, this physical reality has implications for the ideas that actors form about them[21].

Therefore, some information out of the range of highly contested matters is given in Chapter 5.1. The same has been done for Chapter 6.1 for Chapter 6.

5.1. INTRODUCTION TO CHAPTER 5: THE EU SECURITY SITUATION

The EU is the biggest importer of energy recourses in the world. The dependency on import is particularly high for crude oil (90%) and natural gas (66%) (European Commission, 2017). As mentioned earlier, a significant amount of this oil and gas, comes from Russia: 32,6% of the oil and 38,9% of the gas in 2016 (Eurostat, 2016).

Although the share of fossil fuels in the total energy production has been decreasing slowly since the Nineties, the share of imported fossil fuels has grown. In other words, we use less of them, but more of them come from foreign suppliers. The EU dependency on fossil fuels, and therefore on the import from Russia as well, has been bigger than ever before (Eurostat, 2017).

The perception of European dependency on Russian gas and oil is very common, but one nuance has to be made: the export of fuels to the EU is important for Russia as well. The Russian gas company Gazprom for example has only one shareholder: the

[21] A mutual relation between agency and structure.

Russian government. Without this income, the Russian state budget would have a large deficit. Therefore, some scholars, as well as the European Commission, argue it is more accurate to speak of mutual dependence, or interdependency (see for example European Commission, 2017b; Kuzemko, 2014; Ozcan, 2015; Sharples, 2016). Where the EU has an interest in its 'security of supply', Russia has a similar interest in its 'security of demand' (Judge, Maltby, & Sharples, 2016; Kratochvil & Tichy, 2013).

Mutual dependence or not, there is a crucial difference between the supply and the demand side of natural gas. There are several pipeline systems connecting Russia with the EU. There are three main ones, arriving in the EU via Germany (Nord Stream), Poland (Yamal) and Slovakia (Brotherhood/Soyuz) (see Figure 4). These systems all follow the same logic, bringing gas from the east to the west, and have done so for many decades.[22] This means that much gas infrastructure is only suitable of transporting gas in one direction, making some parts of the EU more vulnerable than others.

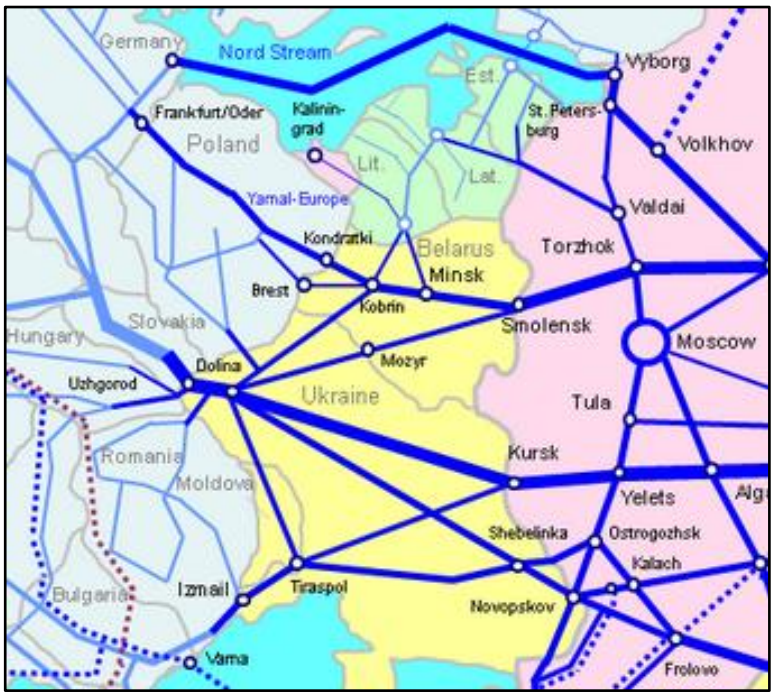

Figure 4: Gas pipelines in Europe (EEGAS, 2014, see http://www.eegas.com/fsu.htm)

[22] Except of Nord Stream, the newest pipeline. This line connects Russia directly with Germany through the international waters of the Baltic sea.

Germany can import gas via all three systems. Slovakia on the other hand is[23] dependent on gas coming in from Ukraine. During the *Gas Crisis of 2009*, Russia stopped supplying gas to Ukraine, and therefore to Slovakia and much of south-eastern Europe. The supply via Poland (Nord Stream was not in use yet) actually increased, sparing other parts of Europe from shortages (Le Coq & Paltseva, 2012).

In 2014, in reaction to the Gas Crisis and new hiccups in the supply of gas after the annexation of Crimea, a European Energy Security Strategy was developed. Its first measure was conducting stress tests in all EU member states and ten other countries. These tests analysed the consequences of different scenarios of disruption of Russian gas import (European Commission, 2014c). These tests showed that parts of Europe are still vulnerable. The European Energy Security forms the basis of the Energy Union's security dimension (European Commission, 2016).

5.2. POLAND

The previous government of Poland, on initiative of its Prime Minister Donald Tusk, published a paper with suggestions for an Energy Union. A lack of energy security is causing problems, not only for Poland, but for the EU as a whole, according to the Polish view. The following quotes of this non-paper illustrate how the Polish government stresses the insecurity of Europe's energy sector:

> ''Europe's high dependency on foreign energy sources, combined with the recent developments at its Eastern border, has raised the question of the EU energy policy response *more valid than ever*.''
>
> ''The EU *remains vulnerable to political pressure* due to its high dependency on oil and gas imports. Its room for manoeuvre vis-à-vis Russia *is limited*''
>
> ''It is *vital* that the Commission in cooperation with Member States addresses all the identified challenges'' (All from 'Roadmap towards an Energy Union for Europe', p. 1-2, emphasis added).

[23] In recent years there have been improvements, but a new stop of gas supply via Ukraine would still cause issues. See Chapter 5.3.

The Polish respondent as well emphasized that not only Poland, but all former Soviet (satellite) states are dependent on Russia for their energy. This dependency developed historically and still much of the energy infrastructure is oriented towards Russia (Interview P, p. 1). This is confirmed by the focus on energy security during the Polish presidency of the V4, which describes energy security as *''a key issue for the V4, as a region [with] significant needs in terms of the immunity to supply disturbances*.'' (Polish V4 presidency program, p. 9).

Although the current and the previous Polish cabinet have different views on many issues, the policy on energy has not changed much (Interview P, p. 1). The Polish National Security Strategy even lists energy security as one of the 'Strategic capacities of the national security', among many generic terms like 'the economy' and with only transport listed as another specific sector of vital importance (National Security Strategy, p. 14-15).

Security of gas and oil supply

The Polish energy security worries are mainly based on its imports of gas and oil from Russia. The Polish respondent points out that 2/3 of the Polish gas consumption is imported from the east, mainly from Russia. But in 2016, Poland build a LNG terminal at its northern coast, making it possible to import liquefied gas from all over the world, in case the Russian gas falls short. The Polish respondent even mentions that there are plans to increase the capacity of the terminal with 50%, to lessen the dependency on Russian gas even more (Interview P, p. 1).

For oil, the dependency on foreign supplies is even higher than for gas, with imports of over 95% of consumption. Just as with gas there are pipelines connecting Poland with Russia. However, the capacities to import oil via sea are far greater than with gas. The LNG technology is very new, while oil transport by ship is already common for decades. If the supply of oil from Russia would drop, there would still be problems, but not of the same scale as with gas (Interview P, p. 1).

Electricity

The Polish respondent explains that in case of electricity, there is no dependence at all. Poland is fully self-sufficient and is capable of producing all electricity domestically. Around 80% of electricity is produced by domestic coal (Interview P, p. 1). As shown in Figure 5, of total energy consumed in Poland in 2015, 54% was produced by coal.[24]

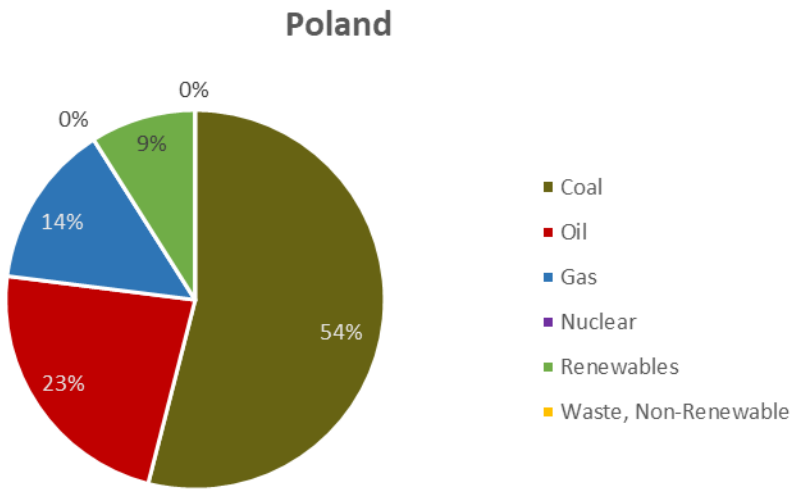

Figure 5: Energy mix of Poland in 2013 (European Commission, 2015b)[25]

No dependency does not necessarily mean no insecurity in the field of electricity. The Polish respondent explained how energy loop flows from Germany cause problems on the Polish grid.[26] Because the Germany electricity is occupying the grid, Poland cannot use it for trading or even to power its own industry (Interview P, p. 4). Currently, Poland and the Czech Republic are cooperating with Germany and installing equipment at the border that should stop the loop flows and increase energy security.

[24] The 80% the respondent refers to is only the share of coal in the production of electricity. Energy sources, especially oil and gas can also be directly consumed.
[25] The energy mix consists
[26] Loop flows are flows of excess electricity that are spilling over the border. Electricity takes the path of least resistance and if this path goes through Poland, so will the electricity. In Germany there is a lot of wind energy in the north. Especially when it storms, there is more electricity generated than consumed. In the south of Germany and Austria (who share one electricity market) there is enough consumption, so the energy is transported to the south. But the internal infrastructure in Germany is not capable of transporting all the electricity, causing a loop flow of electricity that goes from the north of Germany via Poland, the Czech Republic and in some cases Slovakia or even Hungary to Austria and the south of Germany.

Transit interests

Apart from energy source, the security of gas supply is important for another reason: transit fees. Poland is concerned about the development of a second Nord Stream pipeline. While the first Nord Stream line was being build, they wrote:

> *''Within the framework of international co-operation and on the European Union forum, Poland will strive for halting infrastructural projects whose implementation could negatively impact energy security of Poland.'' (Energy Policy of Poland, p. 24)*

With the current development of a second pipeline, this has not changed. The Polish respondent explains:

> *''This region always played a role of connection east and west when it comes to gas. The construction of Nord Stream II is dangerous for the V4 countries and the Baltic states because the idea of Nord Stream is to make a bypass around those countries. So this is politically a very complicated and delicate issue for the V4.'' (Interview P, p. 4).*

He also explains that Poland is in favour of giving the European Commission a special mandate from the European Council. That way, the Commission is responsible for negotiating with Gazprom, instead of Germany or the private companies that are involved with the pipeline. Poland probably expects the Commission to be more inclined to take the interests of gas transit countries into account. But the respondent could or would not elaborate on this (Interview P, p. 5).

Conclusion

Poland is trying to stress the international dynamics of energy security. Their correspondence is most explicit about the importance of security. At the same time, they are less dependent on import and have more supply options than the other V4 countries. So why are they so keen on energy security? This indicates that the Polish government is indeed securitizing its energy situation.

5.3. SLOVAKIA

The Slovak perception of energy security is heavily impacted by the Gas Crisis of 2009. Ever since, energy security has been a priority of both its energy policy as its foreign policy (Slovak Energy Policy, 2014; Slovak Foreign Policy Agenda, 2015). Energy security is presented as essential for the economic and social state of the country. In the annual report of the Slovak V4 presidency for example, the government writes:

> *''The cooperation of the Visegrad Group in the energy sector is an extremely important part of their economic policy and a natural component of our foreign activities. Regional cooperation in the energy sector is a key priority in the context of recent developments that affect the security of natural gas supplies in Central Europe.''* (Slovak V4 Annual Report, 2015, p. 11).

The Slovak government is actively trying to raise awareness for energy security at the international level. The Slovak Foreign Policy Agenda announces that energy security will be one of the emphasizes of Slovakia's V4 Presidency (p. 4) and after its two year presidency of the OSCE[27], Slovakia continues to promote measures to strengthen energy security. The Slovak government declared the following:

> *''Strengthening the energy security: At all relevant forums, the Government will continue in underlining issues that are vital for Slovakia, especially the security of energy carriers (gas, oil) and promote the fulfilment of the objectives of diversification and innovation.'' (Foreign Policy Declaration, p. 5).*

The reason for its activities in the international arena can be explained by the Gas Crisis of 2009, which showed that Slovakia was heavily dependent on foreign nations for its energy security.

Security of gas supply

When the transit of gas from Ukraine stopped, there was no option to import gas from other neighbouring countries. All infrastructure was designed to transit the gas from the east to the west, not in the other direction (Interview S, p. 2-3). Even inside Slovakia it was not possible to transit the gas from storages in the west to the eastern half of the country. The 800 biggest companies of Slovakia had to stop their activities in order

[27] Organization for Security and Co-operation in Europe, an intergovernmental organization which, as the name suggests, tries to improve security (see http://www.osce.org/).

to maintain the gas supply to households. In just twelve days, Slovakia lost one billion euros because all these companies had to stop their activities (Interview S, p. 2-3). The Slovak government was never aware of the vulnerability of the gas system:

''*Because this is something that has been working for 30-40 years. There were never problems, the gas was flowing. We never believed that something like this could happen. […] But after 2009, all those things changed.''* (Interview S, p. 5).

Since then, the Slovak government changed their approach and made energy security a priority. The supply of gas depended too much on the relations between Russia and the Ukraine. With help from EU funds[28], the gas infrastructure was improved, making it possible to import gas from other countries than Ukraine and to transit it to all parts of the country. Legislative changes were made as well, giving the government the right to use private gas supplies for the public interest, in case the gas flow from Ukraine stops again[29] (Interview S, p. 5).

Due to all these measures, the security situation has improved greatly. But according to the Slovak government, there is still room for improvement. The gas infrastructure with Poland is under construction, giving access to gas from the Polish LNG terminal Świnoujście (Interview S, p. 6; Slovak Energy Policy, p. 54-55).

Security of other sources

Although oil, coal and nuclear fuel are imported on large scale as well, they are not tied to pipelines and there are alternative supply sources. Especially nuclear energy is seen as an important assurance of energy security. More than 50% of electricity in Slovakia is produced by nuclear energy. Neighbouring Austria would prefer that the Slovak use of nuclear energy lessens[30](Interview S, p. 7), but for Slovakia, nuclear energy means

[28] From the *European Energy Programme for Recovery* and, after applying for a *Projects of Common Interest* status, via the Connecting Europe Facility.

[29] Despite the bad relations between Ukraine and Russia, Russian gas is still transiting through the country. Ukraine has stopped the domestic use of this gas however. Once the gas is transported into Slovakia, a part is transferred back to Ukraine for domestic use (Interview S, p. 12-13).

[30] Austria even enforced the closure of some nuclear power plants as an requirement for Slovakia entering the EU (Interview S, p. 7).

energy independence and lower CO2 emissions (Slovak Energy Policy, p. 22). The EU is divided on nuclear energy, with 14 members in favour and 14 against[31], causing EU involvement to be limited to safety regulations (Interview E, p. 4).

Transit interests

Slovakia receives a large amount of transit fees. Of the 54 billion cubic metres of gas that was imported in 2016, only 5 billion was used for the Slovak market. The transition fees on the other 90% is a very important source of income for Slovakia, adding up to 800 million euros per year (Interview E, p. 9; Interview S, p. 11-13). But the future of this transit role is uncertain. Russian gas is now transported directly to Germany with the use of the Nord Stream pipeline and soon the capacities of this line will be doubled. Also, Russia has announced to stop the transfer of gas through Ukraine after the current contracts end in 2020.[32] Slovakia is an opponent of Nord Stream II, but is already adopting to the changing situation:

> *''Slovakia's pipeline network has played a key role in the security of gas supply to Europe over the past decades. This is why it is important to preserve this position even at a time when the transport of gas from Russia is secured through alternative routes, for instance Nord Stream. […] This demonstrates the importance of raising Slovakia's profile as a cross-road of gas pipeline connections and therefore improving its ability to secure gas transport for the entire region.'' (Slovak Energy Policy, p. 57).*

At the same time, Slovakia supports the plans for new pipeline systems going through Turkey and the Black Sea, knowing that these supply lines will benefit Slovakia's position as a transit country (Slovak Foreign Policy Agenda, p. 20).

Conclusion

Although Slovakia's gas situation has improved since 2009, the government is still expressing concerns about its energy security. Further improvements are announced, especially in the case of gas and oil (see p. 50, Slovak Energy Policy) and the country continues to raise attention to energy security at international fora. During the Gas

[31]Although with the UK leaving the EU, a powerful proponent of nuclear energy will leave, shifting the balance (Interview E, p. 4).

[32]See https://www.forbes.com/sites/kenrapoza/2015/07/25/russia-wont-renew-gas-contract-with-ukraine/#43b28787594f

Crisis energy was certainly securitized, but in 2017 it looks that the biggest threats are gone. Energy security is still given a lot of attention, but the emphasis has shifted a bit towards the economic value of transferring the gas.

5.4. CZECH REPUBLIC

The State Energy Policy (2014) is positive about energy security, stating that 50% of its energy sources are domestic. According to this policy document, the Czech Republic is therefore more independent than most other EU member states. It even describes its energy security as ''*one of the principal strengths of the domestic energy sector*'' (State Energy Policy, p. 12). This can be the reason that energy security is not named in the Czech Security Strategy, but only indirectly referred to (Security Strategy, p. 12).

Regarding coal, there is hardly any insecurity and for oil multiple supply sources are available (Questionnaire CZ, p. 3), yet some improvements related to oil are planned[33] (State Energy Policy, p. 58/70).

Almost all electricity is produced domestically. Nuclear energy is seen as essential to maintain this independency[34] (Deputy Minister Šolc, Czech Press Release 3, p. 2). According to the Czech respondent, importing all nuclear fuel and spare parts from Russia does not make the country dependent:

> *''Nuclear fuel can be stored for number of years ahead and it is significantly more compact than natural gas. Also, there are other suppliers of nuclear fuel possible. With regards to technology, it is not something that is shipped by pipe, it stays there and CZ has a decade long experience of operating Russian VVER technologies. So we think that nuclear is relatively better in terms of energy dependence compared to natural gas, however it is obviously not a domestic source.'' (Questionnaire CZ, p. 3).*

According to the Czech respondent, the Commission is conservative on nuclear sources and new nuclear technologies are not given a priority: ''*Even in R&D it is visible that the emphasis is placed on current fleet and not on new technologies.*'' (Questionnaire, CZ, p. 4).

[33] There are emergency stocks of oil for 90 days, this will be increased to 120.
[34] And to keep the country's CO2 emissions lower.

When asked about the dependency on Russian gas, the Czech respondent replied that there is a mutual dependent relationship with Russia. There is: ''*a seller buyer relationship. The Czech Republic is largely dependent on Russian gas, but there is diversification of routes*.'' He also explained that there are no destination clauses[35] anymore, allowing the Czech Republic to buy Russian gas from other EU member states: ''*Since the destination clauses are effectively revoked, it does not matter to which European country the gas is physically shipped and it is effectively 'European gas*'.'' (Questionnaire CZ, p. 3).

Although the energy sector is presented as secured, gas is seen as the most vulnerable source. Big infrastructural improvements are made since the Gas Crises (Questionnaire CZ, p. 2), but further improvements are presented as being necessary (Minister Mládek, Czech Press Release 3, p. 2; State Energy Policy, p. 56-59).

Especially at the international level, the Czech government stresses the importance of improving energy security. In its V4 Presidency Program (2015), the Czech government writes: ''*The [presidency] considers this issue to be of utmost importance to increase the energy security of the entire region*.'' They continue with stating that the Visegrad countries are ''*significantly dependent on a few suppliers of natural gas*'' and that further improvements are needed in the form of gas market integration and cross-border infrastructure (Czech V4 Presidency Program, 2015, p. 5-6). Furthermore, the Czech Republic signed a joint declaration with ten other member states[36] on regional cooperation in the field of security of the electricity supply (Joint energy declaration, 2015).

[35] These clauses dictated that energy companies are not allowed to resell the gas they receive from Gazprom. This however clashes with the Free Movement of goods within the European Single Market.

[36] Including Poland, but without Slovakia and Hungary.

This emphasis on European energy security can be explained by the fact that the Czech Republic argues that more market integration leads to more energy security (State Energy Policy, p. 68), as deputy minister Pavel Šolc explained:

> *''[the] well-functioning and interconnected internal energy market without market distortion is a measure with the greatest potential for an effective improvement of the security of supply" (Deputy minister Šolc, Czech Press Release 3, p. 1).*

In 2014, Czech minister Mládek and Polish minister Piechociński met to discuss the economic relations and agreeing that the two states would cooperate more on energy security via market integration (Czech Press Release 1, 2014). This view of linking energy market integration and security is shared by the Commission (European Commission, 2014b). The Czech respondent also mentioned that, except of a few concrete differences (which he would not name), in general terms the Commission and the Czech Republic see energy security in the same way (Questionnaire CZ, p. 5).

Transit interests

Although the Polish respondent claimed that the Nord Stream II pipeline is a threat to all Visegrad states (Interview P, p. 4), the Czech Republic has a separate approach (Dutch V4 Energy Rapport, p. 4). Due to its location, the Czech Republic expects to keep its position as gas transit country, with only a change of transit direction from east-west to north-south. The other Visegrad states sent a detailed letter to Šefčovič, explaining their objections to Nord Stream II, but the Czech Republic did not join them (Dutch V4 Energy Rapport, p. 4). Ms Vašákova also stated that *''the Czechs will benefit from Nord Stream II.''* (Interview E, p. 10).

Conclusion

The Czech Republic clearly has concerns regarding the security of gas supply and at the international level, energy security in general is stressed. But is this enough to say that the Czech government is securitizing the subject? Seeing the above analysis, the answer has to be no. The identified threats, such as in the State Energy Policy, are very general and are not presented as imminent. The government does only speak of further improvements to energy security. These measures do not qualify as the

emergency measures that can be expected in the case of securitization. In the light of this, the last part of the Czech respondent's definition of energy security is interesting:

> *''[Energy Security] is to have enough electricity, heat and energy commodities to satisfy the needs of the citizens of CZ for economically acceptable terms, even in periods of crises of supply and* ***with the use of available policies and tools*** *to prevent this situation to occur.'' (Questionnaire CZ, p. 2, bold added).*

This indeed implies that emergency measures to solve energy security issues are unnecessary.

5.5. HUNGARY

Just like the other V4 countries, energy security is both part of Hungary's energy as well as its national security policy. Energy security is given attention in Hungary's National Security Strategy (p. 9 & 14), but it is not presented as a special case. It is just mentioned as another issue among or example cyber security or international crime. The National Security Strategy describes energy security as follows:

> *''Energy security is of key importance for Hungary. The country is highly dependent on imports while diversity in sources and routes of fossil fuels lags behind the desired level. This entails numerous risks. Stable and predictable energy supply available at a competitive price is of strategic importance both in terms of providing energy for the population and securing the energy requirements of the Hungarian economy.'' (National Security Strategy, p. 14).*

Nuclear energy, the diversification of supply routes and market integration with the EU are listed as measures to increase energy security. Sustainable energy is named as an option as well, although the document mentions that this is particularly needed in case Hungary loses the access to cheap resources (National Security Strategy, p. 14).

Currently, Hungary holds the presidency of the V4 (July 2017-June 2018). In contrast to the Polish, Slovak and Czech V4 presidencies, energy security is not presented as a key issue. The presidency program does mention energy security, focusing on the ongoing infrastructural works, but the emphasis is put on energy in relation to climate policy (Hungarian V4 Presidency Program, p. 17-19).

Although the National Security Strategy and Hungary's Presidency Program do not indicate that energy security is presented as one of the most pressing issues, this is different for the Hungarian Energy Strategy. This strategy follows has a similar structure as the Energy Union project, with security, economy and sustainability as its three objectives. Energy security is even defined on the cover as:

> *''The degree that fuel and energy services are available to ensure: a) survival of the nation, b) protection of national welfare, and c) minimization of risks associated with supply and use of fuel and energy services.''*

Especially part A and B of this definition indicate that Hungary does view energy security as very important. This document proposes many measures to improve the country's energy situation, mainly focused on increasing the nuclear energy capacities and the integration of the gas markets in the region. Hungary has a gas storage capacity of more than 50% of annual gas consumption (6 times higher than legally required) (Hungarian Energy Strategy, p. 29).

5.6. European Commission

The European Energy Security Strategy's (2014) first sentence is: ''*The European Union's prosperity and security hinges on a stable and abundant supply of energy*.'' (EESS, 2014, p. 2), with other words: no stable supply of energy equals no prosperity and security in Europe. The Strategy states that big improvements have been made to increase energy security in the Eastern member states, who suffered from the Gas Crisis of 2009, but that further improvements are still needed. At the same time, the document argues that most European countries have not experienced any supply problems since the Seventies, thanks to the successful energy policy of both the EU and its member states.

The stress test that were conducted as part of the Security Strategy concluded that the eastern EU member states were still too vulnerable for a shutdown of gas supplies. This was also pointed out by Commissioner for Climate Action and Energy Cañete when commenting on the Energy Security package:

> *''After the gas crises of 2006 and 2009 that left many millions out in the cold, we said: 'Never again'. But the stress tests of 2014 showed we are still far too vulnerable to major disruption of gas supplies. And the political tensions on our borders are a sharp reminder that this problem will not just go away.'' (EC Press Release 1, p. 1)*

At the same time, the dependency on Russian import is downplayed by emphasizing the interdependency of this relation:

> *''The EU imports a significant amount of oil, natural gas, uranium, and coal from Russia. At the same time, the EU also serves as an important energy market for Russia. On the basis of this interdependent relationship, the EU and Russia work together on energy issues such as security of supply and energy efficiency.'' (Website of the European Commission, 2017).*

Ms Vašákova does speak of *''problems with security of supply''*, especially in Central Europe (Interview E, p. 3). She describes the Gas Crisis of 2009 as a wakeup call, exposing the European problem of security of gas supply. But when it comes to gas, the views of the Commission and that of the member states are similar according to Ms Vašákova (Interview E, p. 9).

This is different for the security of electricity supply. The European Commission thinks that the electricity security concerns of member states plays a too important role. Ms Vašákova explains that every member state has the preference to produce electricity on its own territory (Interview E, p. 12). The Commission would like to produce electricity where it makes most sense, with wind mills in the windy and solar panels in the sunny parts of Europe. But from national perspectives, this would mean a decrease of security of electricity supply (Interview E, p. 12).

As mentioned earlier, the Commission is quiet about nuclear energy. The Commission does not condemn the use of nuclear energy to improve energy security: *''The commission is telling that if you use nuclear, then there are certain security and safety standards that you need to respect. And this is all that the Commission is regulating.''* (Interview E, p. 4). The Energy Security Strategy does express some concerns about the dominance of Russian technology in nuclear power plants (EESS, p. 16).

Conclusion

The European Commission is ambivalent when it comes to energy security. On the one hand, they stress the continuing importance of improvement. Simultaneously, they emphasize that most improvements are already made that the relation with supplying countries is one of mutual dependence. This can be explained by the diversity within the EU and the Commission's attempt to make EU-wide policy.

5.7. RESULTS

5.7.1. SUB QUESTION 1

- How is energy security presented by the four Visegrad governments and the European Commission?

Chapter 6 discusses the measures that are on the agenda of the Energy Union. The actors' view on these measures will confirm whether they are securitizing energy. So far, some temporary conclusions can be made.

All Visegrad states present their energy security as very important and in continued need of improvement. In terms of the Copenhagen School, the issue is certainly politicized in all cases. For the Czech Republic and Hungary energy does not seem securitized. The Czech Republic restricts to ordinary measures regarding energy security and is therefore, following the logic of the Copenhagen School, not securitizing energy. Because the analysed data is limited, it is difficult to reach conclusions regarding Hungary. Based on the speech acts used in the policy documents, it is estimated that energy is only politicized.

So far, it seems that the Polish government is securitizing its energy situation. The speech acts they use to present their energy situation indicate the construction of a threat which is bigger than the material circumstances suggest. Slovakia could be securitizing energy as well and after the Gas Crisis of 2009, energy was certainly an securitized issue in this country. The final conclusion will follow after Chapter 6.

The European Commission is ambivalent when it comes to energy security. On the one hand, they stress the importance security, at the same time they emphasize the

completed improvements and the interdependence with suppliers. This could be explained using the liberalist approach. The emphasis on interdependence is a classic liberalist idea and apparently, the Commission assumes that market forces will assure the supply of energy. So far, energy security seems to be only politicized at the EU level.

Transit interests

The concerns regarding gas transit and the shift to new supply routes like Nord Stream can be better understood from the realist perspective. Slovakia, Hungary and Poland are worried to lose their transition fees, while the Czech Republic sees opportunities to enlarge its transit role. In essence, these states are in conflict with each other, motivated by their material interests and geopolitical circumstances.

6. VIEWS ON THE AGENDA OF THE ENERGY UNION

6.1. INTRODUCTION OF CHAPTER 6: AN OVERVIEW OF THE ENERGY UNION

Energy was one of the driving forces of European integration in the Fifties, with the European Coal and Steel Community in 1951 and Euratom in 1957. But the days that coal formed the backbone of energy production are long gone and nuclear energy never became the energy source of the future that people in the 50's expected it to be. A comprehensive European energy policy was never installed. It took until the Treaty of Lisbon in 2007, before legal ground was established for an EU wide energy policy, yet still limited by member states' autonomy regarding their energy mix (following article 194 of the TFEU, in Andoura, Hancher & Van Der Woude, 2010).

With the legitimacy given by the Lisbon Treaty, several attempts were made to launch an EU energy policy, the last one in 2011 when the European Council decided it was time to create an internal energy market (European Council, 2011). Just like the Energy Union, the idea was to improve security, affordability and sustainability this way. By the end of 2014 gas and electricity should flow freely through the entire Union (European Council, 2011).

The goals of this ambitious plan were not met (European Commission, 2014b) and a new attempt was made with the Energy Union. The Juncker Commission made it one of their ten priorities and on February 25th 2015, the European Commission officially launched the Energy Union. The Slovak Commissioner Maroš Šefčovič, one of the vice-presidents and responsible for the Energy Union, claimed that the project is the biggest energy project since the Coal and Steel Community. As mentioned before, the Energy Union has three main objectives: **security of supply, sustainability** and **competitiveness**. To reach these objectives, the project focusses on the following five dimensions (European Commission, 2015a):

- Energy security, solidarity and trust;
- The internal energy market;
- Energy efficiency as a contribution to the moderation of energy demand;
- Decarbonization of the economy;
- Research, innovation and competitiveness

Three weeks later Juncker presented these ideas to the European Council, which came to the conclusion that:

> *''[T]he EU is committed to building an Energy Union with a forward-looking climate policy on the basis of the Commission's framework strategy, whose five dimensions are closely interrelated and mutually reinforcing.'' (European Council, 2015).*

The European Parliament followed with their 'blessing' in December 2015 by adopting a motion backing the creation of an Energy Union. The motion was adopted with 403 votes in favour, 177 against and 117 abstentions, showing that it is at least contested what the form and extent of the Energy Union should be[37] (Votewatch Europe, 2015).

The Energy Union is a framework for the creation of new legislation and by now, several packages with proposals have been presented by the Commission. The document '*Updated Roadmap for the Energy Union*' provides an overview of the different legislative proposals that should contribute to the establishment of the Energy Union (European Commission, 2017a). All these proposals follow the *Ordinary Legislative Procedure* and are currently being drafted or discussed by the bodies of the Council and European Parliament.

Three big packages have been presented by the Commission so far[38], each one with the emphasis on one of the three objectives of the Energy Union (competitiveness, sustainability and security). See Table 3 for an overview.

[37] Noteworthy is the abstention of all of the 23 Polish EPP members, members of Tusk's Civic Platform party (Votewatch Europe, 2015).

[38] A package on low emission mobility is coming up, but other than that, the Energy Union project will focus on implementation (European Commission, 2017a).

Date	Package	Focus	Number of proposals
February 2015	Energy Union Strategy		
July 2015	'The' Summer package	Security	4 [39]
February 2016	Gas package or Energy Security package (called 'the' Winter package as well)	Security	4
November 2016	'The' Winter Package	Sustainability /Market	8

Table 3: Overview of Energy Union packages (www.eur-lex.europa.eu)

The Commission sees all dimensions as equally important, but the interviews made clear that the Visegrad member states consider the ''*security of supply and energy prizes [as] the most important issues.*'' Ms Vašákova explained*: ''on the level of the EU, we try to tackle all dimensions. But in this region there is a preference for security and energy prices.*'' (both quotes: Interview E, p. 8). The analysis of the Dutch Embassies confirmed this, by explaining that all Visegrad countries share a focus on energy security and are reluctant towards sustainability measures (Dutch V4 Energy Rapport, p. 4).

All actors are analysed, one by one, focusing on why sustainability is seen as conflicting. In Chapter 6.7, the views on energy security and market integration will be discussed.

6.2. EUROPEAN COMMISSION

The origin of the agenda

According to the Commission, the dimensions of the Energy Union agenda were formed after consultation of companies, NGO's and governments from all member states:

[39] Including a proposal to reform the European Emission Trading System (ETS), ''Europe's flagship tool for tackling climate change'', see: http://europa.eu/rapid/press-release_IP-15-5358_en.htm

> *''We were aware of these problems and we understood that the solution should be one project that would combine all dimensions, because not all member states are in favour of all of these dimensions.'' (Lívia Vašáková, 2017).*

Ms Vašákova explained how several causes leaded to the Energy Union, with energy security concerns being only one of them[40] (Interview E, p. 2-3). These reasons led to a holistic approach with a focus on sustainability, affordability and security. Contrary to the Polish perception that the Energy Union was created with their proposal (Interview P, p. 2), Ms Vašákova states that they merely contributed some ideas which did not form the ''*starting point*'' (Interview E, p. 12).

Indeed the idea to combine all energy related issues into one all-embracing policy is much older than the Energy Union. For example, in 2007 the Commission wrote:

> *"The challenges of security of energy supply and climate change cannot be overcome by the EC or its Member States acting individually. It needs to work with both developed and developing countries, energy consumers and producers, to ensure competitive, sustainable and secure energy. The EU and Member States must pursue these goals with a common voice.'' (European Commission Communication, 2007, p.17).*

However, according to the Slovak respondents[41], the name ''Energy Union'' was first used by Donald Tusk in his Financial Times article (Interview S, p. 2). It's difficult to tell whether this is true, but it would explain the contradicting views of Poland and the Commission regarding the question who initiated the Energy Union.[42]

Harmony between the dimensions?

Despite the diversity of the issues, the Commission argues that they are all interlinked, meaning that improvement in one field will lead to improvement in another. Ms Vašákova gives the example of how increasing energy efficiency will lower energy consumption and therefore mean less costs and less import, improving both economic as security conditions (Interview E, p. 2). Another example is the improvement of the

[40] She also mentions the Paris Agreement, a continuing lack of investments since the Financial Crisis and the high energy prices of the EU.
[41] And Mišík (2016)
[42] A vision for a European Energy Community initiated in 2010 by Jacques Delors and Jerzy Buzek has been credited too as the origin of the Energy Union.

gas infrastructure of the member states (building LNG terminals, making links between the member states) to diversify their supply options:

> *''The Commission is trying to get each member state to have access to all these different recourses of gas, in order to get some competition on the market, and then there is also no more single dependence on the delivers of Gazprom, forcing these member states to buy gas for higher prices.'' (Interview E, p. 6).*

When asked about Energy Union measures that are purely meant to improve energy security, she answers that there are none, because all dimensions are somehow linked (Interview E, p. 2). When looking at the Updated Roadmap for the Energy Union (2017), a similar conclusion comes forward. Of the 43 Energy Union Actions[43], only four are only related to one of the five dimensions (one of which to security, p. 6). The 39 other actions are always related to several dimensions (Updated Roadmap for the Energy Union, 2017).

Currently the discussions on sustainability proposals are ongoing. Ms Vašákova thinks they have good chances to go through. The only essential point of discussion is the level of ambition for the post 20-20 period. Some member states and environmental NGO's are very ambitious, while the Visegrad states are conservative (Interview E, p. 3). On this issue, the V4 reached agreement and succeeded to stand together in the European Council of October 2014 (Interview S, p. 14).[44] It is possible that this will happen for other sustainability issues as well.

Additionally, the Visegrad states are not in favour to use financial instruments to promote energy efficiency and renewables, like the Commission promotes. Instead, they would like to see more grants which they can allocate themselves (Interview E, p. 11; Dutch V4 Energy Rapport, p. 3). Furthermore, the Visegrad states are keen to keep sovereignty over their energy mix and use of generation technology (the principle of technological neutrality) (V4 Energy Rapport, p. 3; UK and Czech non-paper, p. 1).

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[43] These actions include legislative proposals, strategy plans, reviews et cetera. See http://ec.europa.eu/energy/sites/ener/files/publication/FOR%20WEB%20energyunion_with%20_annex_en.pdf

[44] See also http://energypost.eu/eus-great-2030-energy-climate-compromise/

That the V4 has reservations regarding sustainability, does not necessarily mean that the Energy Union will be in trouble. Member state do have full control over their own energy mix, following article 194 of the TFEU treaty. But as Ms Vašákova points out, this did not stop the EU from adapting the original 20-20 framework, which means that the member states voluntary accepted limitations for their energy mix (Interview E, p. 4). Although the Commission has no say in the energy mix, indirectly member states had to alter their mix in order to achieve the 20-20 targets. In the framework of the Energy Union, something similar could happen (Interview E, p. 4). Furthermore, Ms Vašákova does not see the Visegrad as one block trying to influence the agenda of the Energy Union (Interview E, p. 11). Despite the success of the V4 at the European Council of October 2014, this is no guarantee for the outcome of the legislative procedure. The post 20-20 targets are part of the Summer package and it is unclear if the Visegrad will maintain their coalition on this issue. The Czech, Slovak and Polish respondents all mentioned that there is no unified Visegrad approach towards the Energy Union (yet) (Interview S, p. 14; Interview P, p. 2-3; Questionnaire CZ, p. 4).

6.3. POLAND

The Polish government feels that the dimensions of the Energy Union are not in balance. The Polish respondent summarized it as follows: ''*We, Poland, we see that the energy policy of the European Union is not developing in a symmetric way. The main pressure is put on renewable energy and the second pressure is put on the market.*'' (Interview P, p. 1).

Seen from the Polish perspective, the situation is even more ironic, since they consider the Energy Union a largely Polish initiative:

> *''It was our idea to develop an energy policy for the EU related to energy security. And this was in the original non-paper of Poland, that we distributed to the EU member states and the European Commission. The European Commission has taken the idea and added other issues, making all together 5 dimensions of the Energy Union.[…] Our goal to […] become more and more secure[…], in the final version it became one of five pillars [dimensions]'' (Interview P, p. 2).*

The Polish Energy Union proposal that was drafted to develop Tusk's initial ideas consisted of six pillars:

1. Infrastructure;
2. Solidarity mechanisms;
3. Joint negotiations towards external suppliers;
4. Full exploitation of internal resources;
5. Diversification of external supply sources;
6. Reinforcing the Energy Community (Polish Ministry of Foreign Affairs, 2014a)

Pillars 1, 2, 5 and 6 are part of the energy security of the Commission's Energy Union as well. Pillar 3 is missing and pillar 4, which also entailed the exploitation of shale resources and the promotion of clean coal technologies, is even replaced by a decarbonization and an energy efficiency pillar (or *dimension* in Energy Union terminology). This means that some Polish proposals are not only left aside, but are even countered with contradicting policy.

As mentioned earlier, Tusk stated that in Poland ''*coal is synonymous with energy security*". This is confirmed by the Polish Energy Policy:

> *''Poland has large deposits of coal which, considering the dependency of our country on the import of gas (in almost 70%) and of crude oil (in over 95%), will play the role of a major factor stabilising Poland's energy security.'' (Energy Policy of Poland, p. 8).*

Even though member states have full control over their energy mix (following article 194 of the TFEU), the EU's climate policy is indirectly limiting the options. According to the Polish respondent, the Commission wants to limit Poland's heavy use of coal (Interview P, p. 3). The Polish government however, argues that new technologies will reduce the environmental impact of burning coal. Most Polish power plants are nearing the end of their life cycle and Poland wants to replace them with cleaner power plants, using Japanese technology (Interview P, p. 6).

The biggest problem for Poland regarding the EU's climate policy is the Emission Trading System. This system is much older than the Energy Union and will stay effective, regardless of the outcome of the Energy Union.[45]

But there are more proposals that will constrain member states' freedom to control its own energy mix. The Winter package contains proposals with targets for energy efficiency and the share of renewables. The proposal for a 'Governance of the Energy Union' worries Poland the most. This proposal will force the member states to pledge contributions in national energy and climate plans. They will have to discuss their policy ideas with neighbouring member states and the Commission. Ultimately, according to the Polish respondent, the aim of this proposal is *''to replace the national energy policy and to make a common scheme for all energy policies of each of the separate member states.''* (Interview P, p. 7).

The Polish government is trying to get the support of the other Visegrad countries to form a front against the sustainability proposals of the Energy Union. But the Polish respondent admitted that there is no agreement among the V4 and explained that the other V4 countries are less concerned about the sustainability measures, because they have nuclear energy and are less dependent on coal (Interview P, p. 3, see also Figure 6). This is confirmed by the Slovak respondents (Interview S, p. 9) and Ms Vašákova, who explained that the other V4 states are less ambitious when it comes to innovative green technology, but are no hardliner like Poland: ''*the other member states are somehow a bit reluctant, but not completely blocking*.'' (Interview E, p. 10).

[45] The Summer Package does contain proposals regarding the new phase that ETS system will enter after 2020, but new targets are already in the making and the collapse off the ETS system seems unlikely. See http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/568319/EPRS_ATA(2015)568319_EN.pdf

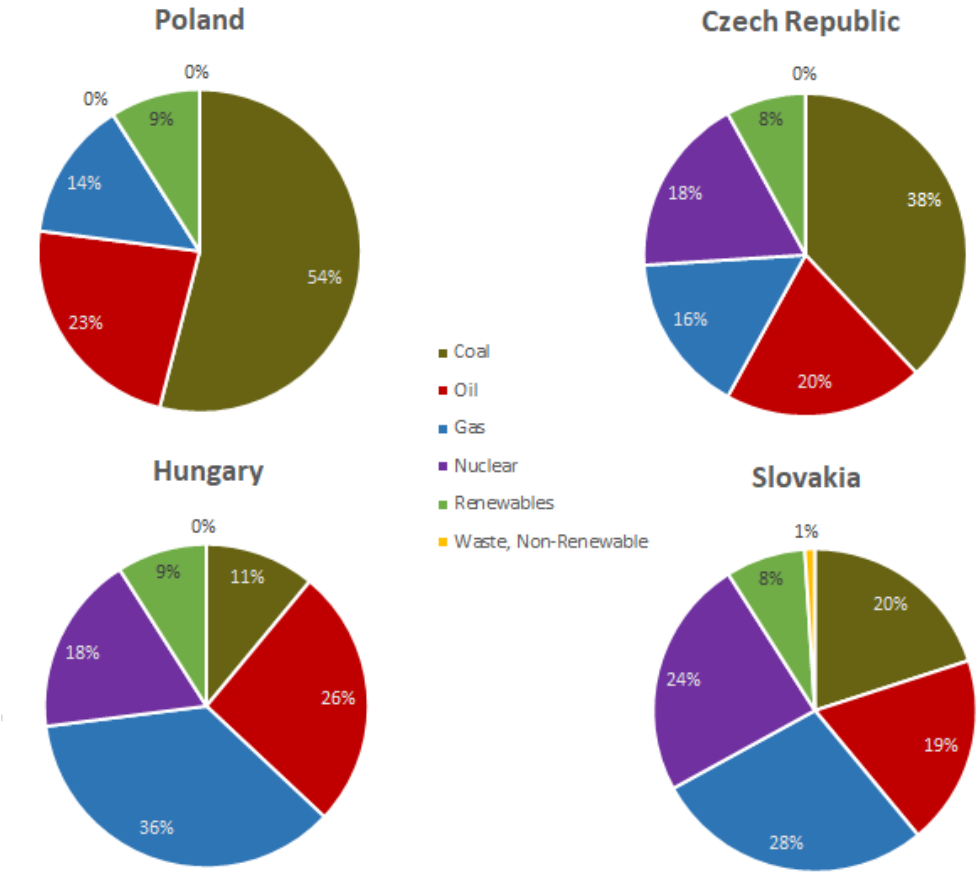

Figure 6: Energy mixes of the Visegrad states in 2013 (European Commission, 2015b)

Poland is glad with the proposals of the Gas package, which focuses on energy security, but considers the package to be too limited. The respondent mentions that the package only focuses on the supply of gas and has ''*just four proposals*''. It also takes more time than expected: ''*There are still some works on the parliamentary and council level. We thought that during the Estonian presidency all the works would be finished*'' (both quotes from Interview P, p. 2).

Conclusion

The Polish government is unhappy with the emphasis of the Energy Union on sustainability. The country is trying to get the support of the other Visegrad countries to form one front. They welcome the energy security measures, but think that they are too limited. Their own proposal for an Energy Union contained proposals that were far more drastic and far-reaching.

6.4. SLOVAKIA

In Slovakia, energy security is also seen as the ‘’*number one priority of the project*’’ (Interview S, p. 2). The Gas Crisis of 2009 has had such an impact, that the government will always approach the Energy Union from an energy security perspective: ‘’*we view the Energy Union as a security of gas supply project, first of all. This is the top priority.*’’ (Interview S, p. 5).

Although they share the same security focus as Poland, the Slovak Government did not support the Polish plan to jointly negotiate energy contracts. The respondent explained that the government is not eager to lose the capacity to control this. He also explained that the gas prices and regulatory policies are too different and that the idea is unrealistic (Interview S, p. 13). Therefore, Slovakia decided not to support the Polish Energy Union proposal (Interview S, p. 14).

This does not mean that Slovakia will not support the Polish reluctance to agree with the sustainability proposals of the Energy Union. The Slovak respondents indicated that there was a Polish pro-coal lobby going on, but they had not decided yet whether to support this. More discussions on Visegrad level are needed first (Interview S, p. 15-16). They confirmed the statement of the Polish respondent that Slovakia uses far less coal and is therefore less concerned about the sustainability dimensions (decarbonization and efficiency).

But they also explained that they would like the role of the EU in the Energy Union to be restricted to improving the energy market and security (Interview S, p. 6). When it comes to sustainability, Slovakia can manage on its own. The use of renewables has grown rapidly in recent years because of a largescale transition to biogas (Interview S, p. 10). In combination with the large amount of nuclear energy[46], the country has already met the 20-20 targets.[47] The use of coal is decreasing (Interview S, p. 9-10) and

[46] Which is low on emissions.

[47] The target are: 20% cut in greenhouse gas emissions, 20% of EU energy from renewables, 20% improvement in energy efficiency before 2020.

terms like ‘clean coal’ are not mentioned in the Slovak Energy Policy (2014), suggesting that Slovakia is less likely to support Poland in its coal lobby.

Conclusion

The sustainability dimensions might play a smaller role for Slovakia, but the country does not want to form a problem when it comes to this issue (Interview S, p. 15). Other than this last remark, the Slovak respondents did not want to discuss their view on Energy Union legislation details, since most are still discussed in Brussels.

6.5. Czech Republic

The focus of the Czech Republic on energy security, as predicted by the analysis of the Dutch Embassies (p. 4) and the interview with Ms Vašákova, was less evident than with Slovakia and Poland. The respondent did admit that the sustainability objective receives much attention: ‘’*Obviously CZ perceives that there is a strong emphasis on environmental sustainability, sometimes to the prejudice to the other goals.*’’ (Questionnaire CZ, p. 1). He also added that a basic level of energy security is a prerequisite to achieve improvement on market integration, affordability and sustainability. Contrary to the Commission’s believe, the Czech respondent argued that the Energy Union goals can be conflicting, using the following examples:

> *‘’Environmental sustainability is directly reachable with current technologies, but it is not affordable, [and] CZ could fairly easily decrease its energy dependency by using more of its coal, but this will contradict sustainability.’’ (Questionnaire CZ, p. 1).*

Especially this second example is interesting, because it uses the same logic as the Polish Energy Union proposal: coal equals security. In reaction to the plans for an Energy Union, the Czech Republic published a position paper together with the United Kingdom. This paper showed the Czech Republic to be supportive of some of the Polish ideas. The Czech-British paper acknowledges progress should be made on all three main goals (‘’*security, sustainability and single market*’’, p. 1), but also that ‘’*not all of the actions required to enhance EU energy security are synonymous with those required to reduce emissions.*’’ (UK and Czech non-paper, p. 2).

The paper also states that member states should be free to choose their preferred low carbon technologies, including *''nuclear and CCS''* and even *''should be supported by the Commission in doing so''* where necessary (UK and Czech non-paper, p. 2). They later call on the Commission to create an EU CCS strategy, claiming that this technology should contribute up to 22 per cent of the emission reductions needed to comply with the Paris Agreements (UK and Czech non-paper, p. 2). The paper further states that EU renewable energy and efficiency targets should not be translated into national binding targets (UK and Czech non-paper, p. 3). In relation to the early plans of the Commission for a governance system, which was later included in the Winter package (and worries Poland, see 6.3), the Czech Republic wants a guaranty that all low carbon technologies will treated equally and it must not *''restrict Member States' energy choices.''* (UK and Czech non-paper, p. 2).

This paper clearly shows that the Czech Republic has or had many views that correspond with the Polish proposal (technological neutrality, no strict emission limitations). The country may not be so dependent on coal as Poland, but it still has a far higher share of coal in its energy mix than Slovakia and Hungary (see Figure 6, page 71).

At the other hand, the Czech respondent also explained that the three objectives are also the starting point of the State Energy Policy and that all three should receive the same amount of attention (Questionnaire CZ, p. 1) Later he added that the Czech Republic is in favour of the holistic approach of the Commission:

> *''CZ has always perceived that the three main strategic goals should go hand in hand. Not only energy security and environmental sustainability, but also affordability. CZ did not support the Energy union solely based on the energy security like the Polish proposals.'' (Questionnaire CZ, p. 2).*

Conclusion

Some of the views of the Czech Republic correspond with the Polish proposal. Especially the ones expressed in the Czech-British paper. The respondent was more neutral, either because he answered politically correct, or because a shift has taken

place in Czech policy in the last two years, embracing the Energy Union's reality, but supporting sustainability in its own way.[48]

6.6. HUNGARY

Since a Hungarian respondent is missing, it is unsure whether the Hungarian administration thinks the energy union dimensions are conflicting. The following quote of the Hungarian Energy Strategy does suggest that their point of view is not very different from the other Visegrad states:

> *''The three most important technological tools with a view to the increased future security of European energy production are the exploitation of renewable energy sources, increasing reliance on nuclear energy and development and promotion of the still immature clean coal (CC) and carbon capture and storage (CCS) technologies.'' (Hungarian Energy Strategy, p. 22).*

They do propose the exploitation of renewable energy sources, but they also promote technologies which should allow the continued use of non-renewable, carbon-based sources, which fits well with the Polish perspective. At the other hand, Hungary has already achieved its 20-20 goals (European Commission, 2017) and, similarly to Slovakia and the Czech Republic, has a much smaller share of coal in its energy mix than Poland.

According to a Hungarian press release, the government is very sceptical about the affordability dimension of the Energy Union. The Hungarian government argues that energy market integration will lead to higher prices for Hungarian households (Hungarian Press Release 1).

But some parts of the security objective are criticized by the Hungarian government as well. As mentioned earlier, Hungary is very interested in energy security improvements. Yet, premier Viktor Orbán has expressed his discontent with the Energy Union security dimension, saying ''*We will have a major problem [with Brussels]. I am expecting an escalating conflict*.'' According to Orbán, the EU's wish to oversee

[48] This is also suggested by this article: http://energypost.eu/how-to-get-the-visegrad-group-to-sign-up-to-the-eus-clean-energy-package/

member state's external energy treaties[49] "*reflects that [the EU] is heading into an energy union that hinders national sovereignty*" (Both quotes from The Wall Street Journal).

According to the analysis of the Dutch Embassies, Hungary is satisfied with the current level of transparency of international energy contracts and indeed not in favour of additional competences for the Commission (Dutch V4 Energy Rapport, p. 4).

Conclusion

So regarding Hungary, it is clear that this member state is not fond of the Energy Union's proposals anyway, although the biggest affiliation can be expected with the Security objective. Hungary is anticipating in EU co-funded Projects of Common Interest, meant to improve its energy security (European Commission, 2017d).

6.7. THE ENERGY SECURITY AND MARKET DIMENSIONS OF THE ENERGY UNION

Despite big improvements of energy security after the 2009 Gas Crisis, the Czech Republic, Slovakia and Poland still deem the energy security dimension of the Energy Union necessary (Questionnaire CZ, p. 2, Interview S, p. 6, Interview P, p. 4, Dutch V4 Energy Rapport, p. 4). According to Ms Vašákova the Gas Package is on its way to be approved. There was some discussion among member states about a proposal to install energy security measures on the regional level. This would mean that member states are forced to help their neighbours if gas supplies fall short. Although this was the ''*most contentious*'' proposal of the package (Interview E, p. 2), agreement between the EP and Council was reached on the 27th of April 2017 and the proposals awaits its final approval (European Commission, 2017c).

According to Ms Vašákova, the proposal to increase the Commission's competences regarding intergovernmental energy agreements between EU and non-EU countries, was met with enthusiasm: ''*Everyone was happy with this change of ex post to ex ante review of intergovernmental agreements*'' (Interview E, p. 1). However, the Dutch V4

[49] Which is one of the Gas package proposals, see Chapter 6.7.

Energy Rapport shows that Hungary and the Czech Republic[50] were sceptical about this proposal (Dutch V4 Energy Rapport, p. 4). The Slovak respondents on the other hand found it too limited (Interview S, p. 13) and Poland finds the whole Gas package too limited (Interview P, p. 2). Nevertheless, agreement was reached and on April 5th 2017, the legislation was signed by the presidents of the EP and the Council (EUR-Lex, 2017).

Electricity market integration

Apart from the proposals of the Gas package, the European Commission is also aiming for more regional integration. The idea is that groups of member states join regional electricity markets which in the end will form one EU market: *''the Commission understood that this might be the best way to fully integrate the internal market.''* (Interview E, p. 6). With central markets for electricity, the member states would have more options to import energy. If something happens to the own electricity generation, member states could simply import their electricity from the European market. The Slovak, Czech, Hungarian and Romanian markets are already coupled[51], but the trade is very limited (Interview S, p. 7).

Most infrastructure is already in place to form a regional electricity market, but an obstacle is the difference in regulatory policies: *''I see this as the main problem for the Energy Union, and also for our region: the differences in regulatory policies.''* (Interview S, p. 7). This is confirmed by the Czech respondent who stated that the *''harmonization of the rules and regulation''* is falling behind (Questionnaire CZ, p. 5). According to the Dutch V4 Energy Rapport, Hungary even argues that harmonization of regulatory elements should first be established, before further infrastructure is constructed (Dutch V4 Energy Rapport, p. 3). To solve this, the Commission would like more competences for ACER, the Agency for Cooperation of Energy Regulators. But most member states are against: *''they would like to keep their national powers.''* (Interview

[50] Though the Czech respondent did call this *''generally a step in the right direction''* (Questionnaire CZ, p. 2).
[51] Poland is aiming to join the electricity market of the Nordic countries.

E, p. 7). Ms Vašákova thinks that the EU energy market will be accomplished, but she admits that it takes longer than planned (Interview E, p. 6-7).

Gas market integration

The Visegrad has already cooperated a lot on energy security the last couple of years. A plan was made for a unified gas market and the gas infrastructures at the borders were coordinated at the Visegrad level. According to the Slovak respondent, this joint approach strengthened their request for EU funding:

> *''There is a high level group established by the gas crisis and all those interconnectors we have now, after the gas crisis, were coordinated within the V4. So first we managed, with talks and agreements, to develop that. And the agreement among us was also very helpful to get support from the Recovery Program, to get cofounding on those projects.'' (Interview S, p. 14).*

The EU is seen by the Slovak government as a very helpful partner for improving the security of gas supply, because of the subsidies for several infrastructure projects at the Slovak border (Interview S, p. 6). Many of these infrastructures are already completed, but the question whether the Energy Union is still needed is answered with ''*definitely, […] the EU is viewed as an important actor and partner in finding solutions [...] to the Slovak problem of its security of gas supply.*'' (Interview S, p. 6). According to the Slovak government, more measures are needed to improve the energy security, especially in relation to the gas market (Interview S, p. 6).

6.8. RESULTS

6.8.1. ***SUB QUESTION 1***

- How is energy security presented by the four Visegrad governments and the European Commission?

Each of the actors have different approaches to energy security, some of which are more similar than others.

The measures that Poland suggested in their proposal for an Energy Union are an example of the *emergency measures* that Buzan *et al*. (1998) referred to. Together with

the results of Chapter 5, the conclusion must be that Poland presents its energy security as an securitized issue.

The other three states and the European Commission are not securitizing energy. Energy security is regarded as important, but it is just politicized. The Czech Republic comes closest to securitization, since it published a paper containing measures that were similar to that of the Polish proposal. However, it seems that this was not motivated by its worries about energy security. The Czech government also seems to have become more cooperative towards the Energy Union project.

Slovakia has taken many measures after the 2009 Crisis, some of which, such as a law to confiscate private gas supplies, can be regarded as *emergency measures*. Yet, the current situation is presented as quite positive. The government is very focused on infrastructure and the EU's supporting role in building this infrastructure has desecuritized energy security in Slovakia.

Hungary is even against some of the more mainstream measures of the Energy Union. In combination with the results of Chapter 5, it is estimated that Hungary is not securitizing energy. The wish for solving energy issues independently, can be explained from a realist perspective. Hungary's support of Poland's clean coal ideas, while having little domestic use of coal, can be understood as a trade-off for support for Hungary's nuclear use. For both clean coal and nuclear energy, technological neutrality is important.

The measures proposed by the Energy Union cannot be described as *emergency measures*. The 'energy security' package is small and only focused on gas and the Council and European Parliament have already reached agreement about its most contested proposals. As Chapter 5 concluded, the EU's concern for energy security is mixed with the reassuring message that energy supply relations are interdependent. The conclusion remains that energy security is only politicized at EU level.

6.8.2. SUB QUESTION 2

- Are the dimensions of the Energy Union agenda regarded as harmonious or conflicting with the energy security interests of the Visegrad states?

All Visegrad states find the energy security dimension the most interesting, but only Poland and the Czech Republic regard energy security and the dimension of decarbonization as conflicting. Not surprisingly, these two states have the largest shares of coal in their energy mix. Slovakia and Hungary are more oriented on gas, which produces far less CO2 emissions, and nuclear energy.

Nevertheless, all Visegrad states frame sustainability issues as something that should be dealt with on the national level. Technological neutrality and control over the own energy mix is seen as essential in dealing with decarbonization. This neutrality means that the EU should not interfere with the way how sustainability goals are achieved. Following the framework of Princen (2011), Visegrad argue that sustainability issues should be discussed in the national *venue* as much as possible, and only some guidelines at the EU *venue*.

The Polish seems to be the least dependent on the import of gas (as is concluded by the stress tests of the European Energy Security Strategy), the resource with the most security problems. Yet is securitizes energy and argues that the sustainability policy of the EU threatens the energy security of all eastern member states. This can be seen as an attempt to *mobilize supporters*: framing an issue in a certain way to receive the support of like-minded (Princen, 2011). Since energy security is regarded as a very important issue, framing sustainability as a threat to energy security could motivate other member states to support the Polish resistance.

The EU can also be seen as a framing actor, using the same logic. Energy efficiency, decarbonization and market integration are presented as key methods to reduce dependency on imported energy resources and improve energy security. However, the main goal of the project seems to be the creation of an internal energy market and the development of sustainable energy, with more security as a welcoming consequence. By framing energy security as one of the main dimensions of the Energy Union, an attempt is made to mobilize more supporters for an EU energy policy.

7. CONCLUSION

Finally, an answer can be formulated to the main research question:

- How do different views on energy security form the agenda of the Energy Union?

The research of this thesis has proven that there are different views on energy security. Even inside a seemingly homogeneous group like the Visegrad states, there are differences in how energy security interests, of the state or of the EU as a whole, are represented.

All Visegrad states emphasize energy security as the most important dimension of the Energy Union agenda. Furthermore, all Visegrad states are less enthusiastic about the sustainability dimensions of the Energy Union (decarbonatization and energy efficiency). They all try to frame sustainability issues in an attempt to keep them at the national agenda as much as possible. However, only Poland and the Czech Republic see these dimensions as conflicting with their energy security.

Poland even frames the decarbonization dimension as a threat to its energy security, because using less coal means importing more gas, oil and electricity from other states. The Polish government uses speech acts to present its energy security as being threatened and proposes measures that can be identified as emergency measures. Therefore, Poland securitizes the issue energy supply.

The supply of energy is certainly a politicized issue for the other Visegrad states and the European Commission, but it is not being securitized. Because Poland is the only one with securitized energy, it does not receive much support for its alternative Energy Union proposals. It is possible that the Visegrad will form one front regarding the sustainability issues on the Energy Union agenda. However, this will not be the result of their worries about energy security.

8. DISCUSSION

8.1. COMBINING SECURITIZATION AND AGENDA FRAMING

Adding agenda framing to the analysis of securitization allows the researcher to apply a broader scope to his or her analysis. For example, realist, liberalist and other Security Studies approaches can be implemented. Furthermore, seeing energy securitization as a framing tool, reveals that actors can securitize energy for other purposes than security itself, such as resisting sustainability in the case of Poland, or even promoting market integration in the case of the EU.

8.2. LIMITATIONS OF THE RESEARCH

Many limitations are already discussed in Chapter 4.5, the most important being the lack of representativeness of the used data. The motives of a government or the Commission cannot be identified with certainty on the basis of one interview and a few documents. Scientifically speaking, more data should be used to increase the representativeness.

Another improvement would be the use of a framework to identify when words count as a speech act and when not. Furthermore, policy documents tend to be written in very general and often neutral ways. Finding speech acts which point to an alarming security situation is therefore difficult. A research in the local languages to analyse the full discourse of the government would improve this limitation.

8.3. RELEVANCE OF THE RESEARCH

In several ways, this research is innovative from a scientific point of view. First, not much literature on energy security has used the framework of securitization. Secondly, combining energy securitization to agenda framing theory has never been done before. Thirdly, the Energy Union is a relatively new project, of which its effects are being studied as we speak.

From a societal point of view, the research is relevant to understand the possible impact of presenting energy security as a security issue. A constant and reliable supply of energy is crucial to the existence of each society. Energy is used to power the smallest household and the biggest factory. Securing its supply is therefore important, but threats should not be exaggerated and citizens should be informed on proposals on the basis of facts and reason.

8.4. SUGGESTIONS FOR FUTURE RESEARCH

In this thesis regional cooperation literature was left aside to stay on focus. But it would be interesting to approach the energy security from the Visegrad from that perspective. Theory on alliances in the European Council could have added value as well.

A completely different approach would be using integration theory. The modern European Union once started with energy policy as one of its main businesses, with the European Coal and Steel Community and Euratom. The new treaties never gave any energy related competences to Brussels, resulting in a surprisingly disintegrated energy market, compared to other market sectors that did integrate. The very use of the term Energy '*Union*' indicates that this project is in its very essence, a matter of integration. It would be interesting to see how the great integration theories could help understand the Energy Union project.

Lastly, very little attention has been paid to the role of international energy companies and non-state actors in international energy relations.

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10. ATTACHMENTS

Attachment 1: references to analysed documents.

Poland	
Reference in text	**Source**
Energy Policy of Poland	Ministry of Economy (2009). *Energy Policy of Poland until 2030.*
National Security Strategy	Ministry of Foreign Affairs (2014b). *National Security Strategy of the Republic of Poland.*
Polish Ministry of Foreign Affairs	Ministry of Foreign Affairs (2014a). *Roadmap towards an Energy Union for Europe: Non-paper addressing the EU's energy dependency challenges.*
Polish V4 presidency program	Ministry of Foreign Affairs (2016). *Programme of the Polish Presidency of the Visegrad Group.*

Slovakia	
Reference in text	**Source**
Slovak Energy Policy	Ministry of Economy of the Slovak Republic (2014). *Energy Policy of the Slovak Republic.*
Slovak Foreign Policy Agenda	Ministry of Foreign and European Affairs of the Slovak Republic (2015). *Slovak Foreign and European Policy Agenda.*
Slovak V4 Annual Report	Ministry of Foreign and European Affairs of the Slovak Republic (2015). *Report on the Slovak presidency of the Visegrad Group July 2014 – June 2015.*

Hungary	
Reference in text	**Source**
European Commission	European Commission (2017b). *Focus on Hungary: the Energy Union tour.* Published on 19-06-17. See http://ec.europa.eu/energy/en/news/focus-hungary-energy-union-tour
Hungarian Energy Strategy	Ministry of Foreign Affairs of Hungary (2012). *Hungary's National Security Strategy.*
Hungary's National Security Strategy	Ministry of National Development (2012). *National Energy Security 2030.*
Hungarian Press Release 1	Hungarian Press Release 1 (2017) Published on 19-04-17. *If Brussels has its way, Hungarian families will be paying higher utility costs.* See http://www.kormany.hu/en/ministry-of-national-development/news/if-brussels-has-its-way-hungarian-families-will-be-paying-higher-utility-costs
Hungarian V4 Presidency Program	Ministry of Foreign Affairs and Trade of Hungary (2017). *Programme of the Hungarian presidency of the Visegrad group 2017/2018.*
The Wall Street Journal	Wall Street Journal (2015). *Hungary's Viktor Orban Looks for Fight Over EU Energy Union*. Published on 18-02-2015. See https://blogs.wsj.com/brussels/2015/02/18/hungarys-viktor-orban-looks-for-fight-over-eu-energy-union/.

Czech Republic	
Reference in text	**Source**
Czech Press Release 1	The Czech government (2014). *The Czech Republic and Poland want to work more closely in strengthening energy security*, published on 06-03-2014.
Czech Press Release 2	The Czech government (2014).*Gas is a strategic part of the energy mix of the Czech Republic,* published on 19-05-2014*.*
Czech Press Release 3	The Czech government (2015). *Energy security in the Energy union project,* published on 16-06-2015.
Czech Press Release 4	The Czech government (2015). *V4 countries conference discussed the issues of energy security on the occasion of the International Energy Club,* published on 21-09-2015.
Czech V4 Presidency Program	The Czech government (2015). *V4 Trust - Program for the Czech Presidency of the Visegrad Group (July 2015-June 2016).*
Joint Declarations	Several governments (2015). *Joint Declaration for Regional Cooperation on Security of Electricity Supply in the Framework of the Internal Energy Market.* Signed in Luxembourg on 8 June 2015.
State Energy Policy	Czech Ministry of Industry and Trade (2014). *State Energy Policy of the Czech Republic.*
Security Strategy	Ministery of Foreign Affairs (2015). *Security Strategy of the Czech Republic*
UK and Czech non-paper	The governments of the UK and the Czech Republic (2014) *UK and Czech Republic non-paper: European Governance of EU energy policy goals.*

European Commission	
Reference in text	**Source**
European Commission Communication	European Commission Communication (2007). *An Energy Policy for Europe. COM*(2007) 1 final. See http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007DC0001&from=EN.
The European Energy Security Strategy	European Commission Communication (2014). *European Energy Security Strategy.* COM(2014) 330 final.
EC Press Release 1	European Commission Press Release 1 (2016). *Towards Energy Union: The Commission presents sustainable energy security package.*
Updated Roadmap for the Energy Union	European Commission (2017a). *Updated Roadmap for the Energy Union.* COM(2017) 53 final ANNEX 1. Published on 01-02-2017.
Website of the European Commission	Website of the European Commission (2017). *Energy, Topics, International Cooperation, Russia.* See https://ec.europa.eu/energy/en/topics-/international-cooperation/russia

Interview with two policy advisors of the Slovak Ministry of Economy

Bratislava, 19th of May 2017
95 minutes

- *Respondent B started talking right in the middle of the introduction about the research.*

B: Even before Donald Tusk, Jerzy Buzek proposed an idea for an Energy Union when he was president of the European Parliament. Burzek is now member of the European Parliament and he is the chair of the parliamentary Committee which also covers the energy issues. He participated last year in our Energy Conference, he gave the concluding remarks here in Bratislava. This conference was part of the Slovak presidency of the EU Council in the second half of 2016, last year. And this was the SET Plan conference, Strategic Energy Technologies Plan, which is an EU initiative launched in 2008 and this rotating conference happens every second half of the year in the presidency member state, so we organized it last year. But because Estonia is so overwhelmed with all the responsibilities they got, earlier than expected because of the Brexit, we will organize it this year as well. And we combine it with our own annual conference, already the 11th Central European Energy Conference, which we launched in 2007. In 2007, because of the first Gas Crisis between Russia and Ukraine. There was no full stoppage of supply, but a reduction of 70% of all daily supply and that lasted for 3 days. The disputes actually began in the end of 2005. It was the same old story between Russia and Ukraine, starting from 2003, when they started to negotiate a new contract, the new price for the next year. And actually, we did an analysis in that time that saw that the relations between Russia and Ukraine are full of risks, which might really lead to the full stoppage of gas supply. We raised this question at the Ministry but it was ignored, the minister said it was not relevant. So I decided to organize a conference with a think tank, it started as a gas supply security conference for Slovakia. After 2009, when our analysis proofed to be a reality, the government changed the approach, and since then we organize this conference on an annual base, as a national one. It evolved three years ago to a regional event, and the last year it was combined with the European SET Plan conference, like I said. So we hosted almost 600 participants, from all European Member states, even more, there were 39 countries represented. And Jerzy Buzek did the concluding remarks.

- *Q: And when did he come with his first ideas for an Energy Union?*

B: December 2009, you can search and google it. But he didn't use the term Energy Union. He used a bit different notion. The first who used exactly this wording, was Donald Tusk, you're right. But the idea of Jerzy Buzek was very similar. And even wider I would say, he connected this idea with a proposal to remake the energy project of the European Union with a new grant regime, which can increase energy security, but also help the climate policy and support the economic growth of the EU. It was a more broad concept, I recommend you to check it. He presented his idea in two speeches in the European Parliament, as the chairman of the European Parliament.

- *Q: And you say his ideas were similar, but a bit broader?*

B: It was more similar to the concept we have today.

- *Q: Yes, yes exactly. Because I have the feeling that when Tusk came with his idea, it was more about the security of energy, and that right now, it has also been related to sustainability and other aspects.*

B: Yes the five dimensions you mentioned. Yes, it is more complex now, than it was when Tusk proposed it. But the origins are from the reflections of the problems with the gas supply. A gas security problem, that was the origin of the idea.

- *Q: But then it is quite strange that if that's the origin, that right now it is focusing more on non-fossil fuels, right? Now it has a bit more focus on sustainable energy sources. Of course that is also a way to increase your security.*

B: You know, when it comes to Slovakia, because our Commissioner Šefčovič is responsible for the Energy Union project, we are also a part of the story. It a bit of a political story, because the new rule following the Lisbon Treaty is that all the members of the Commission have to go through national elections, to be elected by the European Parliament, because of legitimization. And Šefčovič was leading the ballot of SMER party, the prime minister Fico's party, and therefore it created enough political affiliation. But he is a professional diplomat, he never was really a part of any political party. Because of they put him on the ballot, it created a political linkage so he could become a member of the European Commission.

But still, the Slovak government has a security perspective on the Energy Union. And all of the project is still understood in Slovakia, especially under Fico's rule, as security as the number one priority of the project. Actually this is the lesson learnt by Fico's cabinet, which was confronted with this gas crisis in January 2009. And in fact this was the first real threat to Slovakia. Because we lost more than 1 billion Euros within 12 days of having no gas supply from the border of the Ukraine. That was a shock. It was in the winter, quite a cold winter, January 2009, so the government had to do something.

What was the problem for Slovakia around that time? There were no sufficient compressor capacities to push gas from the gas storages located in the western part of Slovakia, close to the border with Austria and the Czech Republic back to the east of Slovakia. We had enough capacity to push it back to the half of the territory, and the rest of the territory of Slovakia was completely dependent on what remained in the pipe. In order to save the supply to the households in that half of the country, the government introduced an aid program, extraordinary situation measures, emergency measures, and the main rule for the aid was that those who consume more than 60,000 cubic metres of gas a year should stop intake from the system. Actually it was almost 800 companies, the biggest of companies of Slovakia, they had to stop their economic and production activities. Many of them were thinking to move from Slovakia, because they had contracts. Like Whirlpool, close to Poprad, I was talking to the manager of this company and he told me that they concluded a contract as a company, so for them it was very difficult to lose power, because they had to produce full time in order to honour the contracts, to have happy customers. But they had to stop, so they were thinking of moving the production, the factory, from Slovakia to Poland. So it was really a big problem for Slovakia. The Minister of Finance and the Minister of Economy and some economic scientists did some research to estimate what we lost during this crisis, what was the economic lost. They estimated that we lost 100 million Euros per day without gas, when those 800 companies, the biggest ones in Slovakia, stopped their activities. Of course it was a shock for us, and for Fico. This was for the first time that something like that happened.

Those were very tough days for him, he did his best to achieve some agreement with Ukraine and Russia, he paid a visit to Ukraine, to Timoshenko and also to Putin. But the problem for Slovakia was missing the compressor capacity to pump and to push the gas back to the border with Ukraine. Now it is done, the SPP, the Slovak Gas Industry, and Eustream, the national operator of the transit system, they constructed a new compressor station in the middle of the country. Now they can deliver gas from one corner to another one. And it is also used for the reverse flow supply to Ukraine, what was constructed as a response to the Slovak problems, so should the situation be repeated, we can simply move the gas from the western storages to the border with Ukraine, can now be used to export our gas to Ukraine.

This difficult situation, which was very important for Slovakia, showed that the EU was supportive, very supportive in finding a solution. This was a very important lesson learned by Fico. And I think that his anti-sanction rhetoric today and at the same time his approval of the sanctions in Brussels, is also a consequence of what he learned from that time, from the gas crisis. Because he will not undermine the consensus in the EU policies when it comes to relations with external actors, if there is agreement. Of course if there is no clear agreement, then it might happen.

Also, at that time, the Czech Republic was the presidency country, and prime minister Topolánek paid a lot of visits to Kiev, to Moscow, to manage the problem and at that time the government of Slovakia felt support. This is very important in order to understand how Fico approached the Energy Union. First of all yes, but still more or less limited to the security issue. The government and the companies, like Eustream, did a lot to prevent the situation, to learn lessons from the crisis. And it is important to remind that the solution came from the West, not from the East, because Fico failed to manage an agreement between Timoshenko and Putin to reopen the gas supply. But the companies at that time, Gaz de France and E.ON Ruhrgas, that were part of the SPP and also the Slovak transit operator, they managed to get gas from the west to Slovakia, with launching a reverse flow of gas from the Czech Republic to Slovakia. It was the first reverse flow and the first gas we got from the west. It was the 17th or 18th of January.

- *Q: But that is maybe even Russian gas that came into Europe via other routes?*

B: That doesn't matter, if you buy shoes in the shop, they are your shoes, not from the one that produced them. You have a market, you pay for it and then it's yours.

- *Q: Yes sure, but it is a strange idea that is going all around like that.*

B: Yes ha ha, well, to understand why the transit problems with Russia started, you have to go back to 2004, when Russia for the first time fully stopped with the supply of gas, only for 3 days but still, to Belarus, to Lukashenko, political friend. Gazprom got a share in this Beltrans gas company which operates the transit through Belarus, and Lukashenko was resisting this idea and then Russia used the supply of gas as a tool to put pressure on him.

Why did this happen? Because in the end of 2002 Putin announced that Russia will change its gas policies towards the post-soviet countries. Because until then, countries like Belarus and Ukraine, there was a barter, they didn't pay money for the gas. Because it was all one system constructed in the end of the 60's, launched in the beginning of the 70's, connecting Siberia with the Comecon countries, so also Czechoslovakia. From Czechoslovakia you had this line to Hungary and on. And the idea was to

transport the gas to Austria and Italy as well, they showed interest in the end of the 60's to import Russian gas. This is the so called Brotherhood pipeline or the Urengoy–Pomary–Uzhgorod line going from Urengoy in Siberia to Uzhgorod at the Ukrainian-Slovak border and then in Slovakia you have one line going to Austria and northern Italy and another going to the Czech Republic, Germany and France. So it was constructed as one complex in the Soviet Union, so in Ukraine nowadays, the transit and distribution is still not clearly separated. Because it was constructed as a sort of gasification of Ukraine, this system, and this is still a problem. Now there are talks of unbundling by Gazprom and Naftogaz, but still they have to make clear: what is the transit and what is the distribution. So this is the problem.

And also the gas storages in Western Ukraine, they can store 20 billion cubic metre a year. But they need 8 billion cubic metres of gas a fuel for the system, just like your car, its need fuel to move, to work. And those 8 billion cubic metres of gas are the fuel to make the whole system works, to maintain the pressure and things like that. The problem became: who should pay for this fuel? And 8 billion cubic metre of gas is quite a lot of gas. So the first misunderstanding started from that. Before the announcement of Putin, before 2002, Ukraine received 50 billion cubic metre of gas as a barter, just in exchange for providing the service of transiting the Russian gas. And the price was like the national domestic price of Russia, a sort of internal price. And of course those clever guys in Ukraine knew that there is a big difference between the Russian price and the European price, they could sell the Russian gas for twice the price to Europe. So there was a lot of corruption around this and the Russians learned about this and some participated in this.

- *Q: So they sold this gas that was meant for the system?*

B: As a barter, to keep the system running. And the Russian said, we do not want that you will trade with our gas, which you receive for half the price the Europeans pay for it. So since 2002 they were trying to find a formula how to normalize the relations: who is responsible for what, who should pay for those 8 billion cubic metres of gas, the Europeans? But the price for the Europeans was created at the Czechoslovak -Soviet border, later the Slovak-Ukrainian border, the price of Velké Kapušany [Slovak gas transit station at Ukrainian border, counterpart of Uzhgorod, UA].

B: In 2008 Eustream concluded a contract with Gazprom, before the crisis, for 20 years, until 2028. And there is a provision that Eustream can accept only the shift cost issued by Gazprom, and not by Naftogaz. So Uzhgorod is still, de jure, a partner for Eustream-Gazprom, and not Naftogaz, the Ukrainian company, because it was signed in 2008. So it is very complicated.

So after 2002, the way the Russians determine the prices for post-soviet countries is very strange. For example Putin would say: for Moldova it is 210 per 1000 cubic metres, for Georgia it is 180, for Ukraine it is 290, so it was a political decision. They stopped supplying the barter for the transiting countries, and now they had to pay some price, and how to identify this price? They started in 2002/2003 and it took like 6 years when they finally arrived to this full conflict. Ukraine was not prepared for the gas crisis of 2009. Their storages are all in the western part of Ukraine, while a most of the consumption is in the eastern part, with its heavy industry, chemical, metal, et cetera, the six eastern Ukrainian regions in 2013 produced 70% of the Ukrainian GDP. In order to supply gas from their storages to eastern Ukraine in 2009

You cannot close the supply of gas at the Russian border at once. It takes 3 days. Because you have to lower the pressure. If you do it at once, it would destroy the pipe. So it was like a cowboy movie with two cowboys confronting each other. Who is the toughest? The Russians said: we will lover the

pressure, and the Ukrainians said: okay we too. And 3 days they lowered and lowered, and then: '0, said the Russians', 'okay, 0 said the Ukrainians'. So it was not like a sudden situation, because we could measure the lowering of the pressure in our Slovak station, Velké Kapušany, because it is all 1 system. But in order to supply gas in Ukraine from the west, within the system, to the eastern part of Ukraine, they had to close the border with Slovakia too, in order to redirect the pressure within the system. And when Fico came to Timoshenko, asking for some gas, just a little flow, something above zero, we could pomp our gas from the west and it would meet in the pipe. And we would compensate. This was perfectly possible if they gave us something above zero, simply to pump the gas to the east part of Slovakia. This why Fico came to Kiev, to ask for some gas. But they couldn't because they had to supply their stored gas in the west to eastern Ukraine. And in order to make that working, we need 0 pressure at your border.

- *Q: So they had the same type of problem in Ukraine?*

B: The same, because there was no west-east flow, only east-west. I asked the chief manager of the Slovak gas industry in 2009, why were you not ready for such a situation? He answered, we didn't believe that something like this could happen. Because this is something that has been working for 30-40 years. There were never problems, the gas was flowing. We never believed that something like this could happen. And this is why they ignored our prediction that I mentioned earlier. But after 2009, all those things changed.

It is important to understand, this is what Slovakia was confronted with, and this was a big lesson for Fico's government, his second one, right now he is the prime minister for the third time. And this is why we view the Energy Union as a security of gas supply project, first of all. This is the top priority. What was also very helpful is that after the government changed a lot of legislation. For example, now we have a special law on the exploitation of the gas system of Slovakia, and this law says that if there is 0 pressure in Veľké Kapušany, then the private gas that is stored on the territory of Slovakia goes to the government and the government must use this for the public interest.

Veľké Kapušany is the biggest compression station in Europe. It's annual capacity is up to 100 billion cubic metres, so you can't find a bigger one in Europe. It is very old, it was constructed as a part of this big system in the beginning of the 70's. Its renovated and of course it is very important, it is the border for the gas supply.

And the law says that if there is 0 pressure in Veľké Kapušany, then the gas stored on the territory of Slovakia can be used by the government in the public interest. And there is another law that says how the government will compensate these sort of restrictions, because this is privately owned gas. In case of a similar situation as in 2009, the gas goes to government, the government can decide what to do and there is a compensation for the owners of the gas. So this problem is solved. And now we have annually a storage capacity of 3.6 billion cubic metres. And the consumption is around 5, so it is sometimes 4.6, or 5.1. So 3.6 is stored on the territory of Slovakia, so that is quite enough, so we can now live for more than two weeks. Definitely. We changed this to act on a similar crisis.

But in Technical terms, the biggest consumption of gas in Slovakia was measured in 2001, it was 46.something million cubic metres a day, it was a very cold winter, it was minus 30 or something like that. So it was a historically peak of daily consumption. The capacity of the reverse flow from the Czech Republic, which was lunched for the first time during the crisis, is 35 million cubic metres a day, so you can see if the total consumption would be 46, we can get 35 only from the Czech already. Since October

2010 we have a reverse flow for gas from Austria, it's around 18 million cubic metres a day, so those two are already more than we will need. And then with Hungary there is connection which has a capacity of 4 billion cubic metres a year, direction Hungary-Slovakia, and they have an important storage there, they store around 10 billion cubic metres of gas in Hungary.

So in case of emergency, now we have: a compressor station that can pump gas to the east, we have this law that gives the right to the government to take the gas and we have three real alternative roads to supply it and now finally the connection with Poland is under construction and it should be finished in 2020. It should have been 2018, but there is a bit of delay. And that should be 4 or 5 billion a year as well.

- *Q: So the security situation is very much improved?*

A: Yes definitely, the lessons were learned. And here it is also important to know that Fico understands that the support from the EU is also very important. Because all those interconnectors, the Austrian, the Czech, the Hungarian and the Polish one, are in this European Energy Programme for Recovery. The companies share half of the costs, the other half is paid by the EU funds. This is highly appreciated here, that the national solution for Slovakia was boosted by the EU, the European policies.

- *Q: But this is not a direct result of the Energy Union right?*

A: No it was launched before, because we have the Energy Union since 2015 and all these interconnectors are built before. The Czech one in, which was an expansion of the capacity, in 2009, the Austrian in 2010 and the Hungarian in 2014.

- *Q: So is the Energy Union then still necessary according to the Slovak perspective?*

A: Definitely. This is what is highly appreciated, but the understanding is restricted to this role of the European Union. The EU is viewed as an important actor and partner in finding these solutions in recent years to the Slovak problem of its security of gas supply. In 2013 the Visegrad prime ministers agreed on the 'Roadmap towards the creation of the regional gas market'. And if you want to create a regional gas market, first you have to develop infrastructure so that the gas can flow from one corner to another, within the region. And then you need to harmonize the regulatory policies. This memorandum was signed in 2013, before the Energy Union became an official program. And all those interconnectors are part of the Recovery Program.

B: Also we finally have Świnoujście, the terminal for liquefied gas, and of course we want to have access to the sea, so the region and this market has access to liquefied gas. So the first road is there, but we still need the connection with Poland. There are some possibilities to supply it via the Czech republic, but it is very limited in volume. So we still need to develop the infrastructures. In the end we then combine the Krk LNG terminal in Croatia at the Adriatic sea with Świnoujście in Poland at the Baltic sea, and also we need the Black sea, at Constanța, a Romanian city where there is also a plan for a LNG terminal. And they found new reserves of gas in Romania, which can become also an important contributor.

- *Q: But even if all these infrastructures are completed I understand that you still need this policy to be harmonized?*

A: Actually, the infrastructure is good, but the market has still some problems. And I see this as the main problem for the Energy Union, and also for our region: the differences in regulatory policies. I think this is the biggest problem for the creation of a regional cluster, market cluster and thus for the Energy Union. Because the idea of Šefčovič is to develop these regional clusters and unite them later. First we create regional markets and then we will unite those regional markets. The logic works for electricity quite well, I would say. Because when it comes to electricity, even with the different regulatory policies, we have a successful project of market coupling with the Czech Republic, Slovakia, Hungary and Romania. This is a regional cluster, but it is a day-ahead electricity market. It stabilizes prices, it has a positive impact, lowering the prices a bit. But still you have regulatory policy in Slovakia, which is why we pay the highest price for electricity in the region, and therefore everybody wants to sell it here. But okay, we become an import country because of the price, the highest price.

- *Q: I understood there is no infrastructure with Austria for electricity?*

B: No, no. Well there is only one from Gabčíkovo, the big dam at the Danube, which is connected with Burgenland in Austria. But it is very local and the Austrians use it when there is no wind. They have very powerful windfarms next to our borders and if there is no wind they still need some electricity in order to maintain them and then they use Gabčíkovo to sustain their windfarms. There was a plan to have this connection to Austria, but we had some problems with nuclear energy. When Slovakia was entering the European Union, Austria put in a condition that Slovakia should close 2 nuclear blocks of Jaslovské Bohunice, the oldest ones. So we did, but Fico, when he started his party in the beginning of last decade, he started with nuclear. He wanted to become prosecutor general during this time, but he was less than 35 years old, and they wouldn't change this law for him. So he started his own party and he started organizing seminars on why nuclear energy is important for Slovakia. But the government did everything to meet the criteria for the EU membership, we accepted it. And Fico used the closure of these 2 blocks as one of the main arguments of his party program. He accused the government of giving up Slovak interests, stating that Slovakia needed to be a self-sufficient country, and so on. When he became prime minister in 2006 he said: we closed Jaslovské Bohunice, but we will construct new blocks, in Mochovce, another nuclear power plant.

- *Q: And how does the EU feel about that?*

B: Well it is accepted that the EU members decide about the energy mix and which recourses they would like to use. And Slovakia would like to keep it that way. Right now the Slovaks and Czechs are running the European Nuclear Forum. The share of nuclear in the Slovak power production is more than 50%, it depends what year.

As I said, we pay the highest price for our energy, because of the regulatory policy of Slovakia. The price of the production of electricity is around 33, 34 euros per megawatt. If you calculate your bill here in Slovakia, you receive it per kilowatt but if you calculate that into megawatt, you'll find that you

pay more than 100 euros. So 70% of the price is created by the legislation and the regulatory authorities. This includes costs for investments in renewables, but still this is certainly too big of a proportion of the price. In Romania they produce it cheaper, and we are one market now and we have traders here and cheap electricity there, so now it is a problem because our regulatory policy is confronted by the market. The bigger the market will be, the more cheap energy is offered. So if you don't change the regulatory policy, you'll keep the highest price in the region, and this can undermine the generation capacities in Slovakia. Right now we import around one terawatt of electricity, because of this market and this is problematic for the Slovak producers.

The main problem to create one market in gas, electricity are the regulatory policies, so it should be harmonized. The second problem, we should coordinate the investments in generation capacities. For example, the Hungarians want to construct a nuclear power plant at Paks, we want to construct 2 extra blocks at Mochovce, the Czechs wanted to construct extra blocks at Temelin. The Czechs stopped because we don't need so much volume for electricity production on a nuclear base, because we cannot consume it. And you can't just switch on and switch off a nuclear power plant, it takes a month to switch off a nuclear plant, and it takes another month to turn it back on. So it is really not flexible. When it starts working it is simply producing and you have to deliver and to sell it, you have no choice. But if you look at statistics of energy consumption in Slovakia, there is no demand. There was the expectation that the demand for energy would grow in the same way as the GDP. But the energy consumption is more or less stagnating, while the GDP is still growing. When the Fico government presented in 2008 the energy security strategy for Slovakia until 2030, they projected a linear growth of energy consumption. But it didn't work. We have a stagnating consumption of gas and a more or less satisfied situation with electricity. We import 1 terawatt and consume 29, so 28 is generated by Slovakia itself. So very little import of electricity. The problem in the region is that investments in nuclear energy are really fully lost now. The same goes for the gas power plant we launched. There was an interesting project completed by E.ON in Slovakia, called Malženice, with the most modern technology to produce electricity with gas. But it was closed, because the costs were 70 euros per megawatt and the price on the market was 30. So you can maintain it only if you will increase prices via regulatory policy, in order to build the newest generation capacity. The same goes for nuclear. Now they already invested a lot money there. The budget is already tripled. In the beginning they expected it would be like 2/3 billion euros, now it's like 6 and still it is not finished. And if it will be finished, it will be nice, two new blocks, but I think we will not launch them because we do not need them. There is no market for that.

- *Q: And the costs will also be higher than this 30 euros?*

B: Much, much higher.

- *Q: Even if you don't include the sunk investments?*

B: Well, when the boom started in Slovakia, the price of electricity was around 70 euros per megawatt, but it went down. And now it is 30 and I don't see any reasons to think this will change soon. All national governments, at least here in the region, see themselves as energy superpowers. They think, we should be fully self-sufficient, we should develop that and that to produce for ourselves, but then it doesn't work and they have to shut things down. The market shows them that it is a stupid policy, because you don't need so much capacity and you don't need to invest so much in the capacities because in an

open market it is much cheaper to buy electricity from Rumania or Bulgaria then to construct Mochovce.

- *Q: And this 100 euros per megawatt is only what the consumers will pay?*

B: Yes the end consumers in Slovakia. And Slovakia was criticized by the European Commission, the government was many times invited and told that we had to rethink our regulatory policy.

- *Q: But the nuclear plan will never receive this 100 euros, they will only receive the 30 euros per megawatt?*

B: Yes, as a producer, but usually you have trading companies who are selling for 100 and they manage somehow.

- *Q: This regional cluster that you spoke about, that Šefčovič wants to create, how do the other countries in the region feel about this? Do they want to create this for gas and electricity?*

A: Yes. Actually gas is not going so well as we see it in case of electricity. Because this electricity market coupling was first done between Czech Republic and Slovakia in 2009. There was no problem, because before we had one system, one grit. Then the Hungarians joined this market coupling in 2012. In 2014 Romania joined and now the Bulgarians expressed their interests to join this market coupling. Poland has a status of observer because their argument was that they want to make connections with the Nordic systems. Why? Because they also plan to generate a lot of electricity and in our region the offer is already very large. The Czech republic exports their electricity, we are close, Hungary as well, so there is already a lot of electricity here and the Poles see more business opportunities for them to be connected to Sweden and the Nordic system. So our regional market is now expanding from the High Tatras to the Balkans.

- *Q: Is this one of the differences when it comes to the Energy Union? That Poland has a different point of view than the other Visegrad countries?*

A: The problem of Poland is coal. The share of coal in their energy mix, I do not know exact figures, but it is one of the highest. In the Czech Republic as well. I know that in Poland more than 40% of the electricity is produced by coal. They use it also as a fuel to heat their houses and buildings. In the Czech republic it is around 30. In Slovakia it is 11% and it is not a big problem for Slovakia. We have one region with some mines, but they are subsidized by the government. So in our high price for electricity, we also pay for this not efficient coal mining industry. It is a socialist business; 4000 miners and their families, are depending on their jobs. So in this 70% that we pay extra in Slovakia, we also pay for those mines. In Poland it is much more problematic. Slovakia already met their 20-20 targets when it comes to the emissions. The argument at the Ministry of Economy is that this is the case because of the nuclear. And the share of renewables in the primary consumption should be 14% and we already achieved that, because of biomass.

- *Q: And water also?*

B: Yes we have also hydro power, it is a traditional source. But what expanded really and what we did good was energy efficiency on municipal level, because we stopped the process where people started to individually work on their isolation and heating efficiency. We inherited from the former system centralized district heatings for the municipalities. So we eliminated this move from the central system to the individual one and lots of people with individual heating use gas, a boiler. We started city by city and every Slovak city is around 20 or 30 thousand people, so we could easily change these centralized systems from coal and gas to biomass. This was really a big success and this is why in 2010 the percentage is was only 6%, all because of hydro, and now it has grown to 14% thanks to biomass. It is a good policy for Slovakia. For example the highways are maintained by companies and they have a lot of green waste because there is so much forest in Slovakia. A lot of companies produce wooden waste and can provide the source for biomass. It was very important that we managed to preserve the centralized district heating and we didn't solve building by building, but city by city. This was a huge jump that enabled us to do more than some of the other member states, especially from the Eastern Block.

- *Q: And when it comes to energy security, which is very important in this region, the EU says energy security is important but we don't want CO2 emissions to rise because of this, while Poland says energy security means they can't stop using coal. But for Slovakia it is a totally different case then?*

B: Yes, because we only have 11% of coal in our mix, and this is not even necessary, it is a social business, a decision by politicians to maintain it this way. If they could manage some requalification then we will stop it because we do not need it.

- *Q: When will you stop the mining?*

A: Because we do not need it, it is a social enterprise by the government for Fico voters in the region by which the governments supports via the prices of electricity. Fico is a left oriented politician, so he likes to maintain jobs. But don't quote this please.

- *Q: Of course. So maybe in a post-Fico area they will stop this?*

A: Yes because we really don't need it. We just need to offer them different jobs and different economic activities, that's it. We do not need this coal. But that doesn't mean we won't construct anything because the company Enel signed a contract with the Dzurinda government that privatized 66% of Slovenské Elektrárne, with the provision that they have to construct those two blocks. So they made this agreement and now already they are selling it. They've sold 30% of their stocks already, but still, the remaining 36% they can only sell when they complete the construction. And if we have so much nuclear energy, we really don't need those mines, that is completely out of the question.

- *Q: And the Czech Republic and Hungary, they also use nuclear energy to increase their security, instead of fossil fuels right?*

B: The Czech Republic stopped the construction of Temelin because of the price. As Laszlo Batushka, specialist from the Czech government responsible for the construction said: only idiots can invest in nuclear energy in Europe right now, because of the prices. We lost the market in electricity because of

the amount we subsidized renewables and the completely other circumstances for the traditional sources, which is mainly the problem for Poland, but partly also for the Czech Republic. They stopped the construction of Temelin because of the price of electricity and the conditions on the market. And also a third of their primary consumption depends on coal. So they are in a similar situation, with the addition of nuclear energy, but still. What I see as a problem: we have the construction at Mochovce, the Hungarians have plans to construct Paks, with Russian help, the Czechs stopped, the Poles also planned something nuclear but they stopped too. So the problem today is that we have a deformed market for electricity and investments are not privately driven. We can see that there are a few investments going on in the construction of new generation capacities, while the existing capacity is getting more and more outdated. I see this as a problem, I think a time will come that the generation capacities will lag behind. So the market and the governmental policies are not working together, they go in different directions. This might be problematic in the future. Now there is no problem, we a lot of energy, gas, everything that we need, but we do not develop much new sources. Okay we have this growing share of renewables, but I don't think that in Slovakia solar energy will develop properly, we can't construct big solar farms or something like that. Maybe for households, some people on individual basis will put solar panels on their buildings. So maybe that will work, but not as a new source of energy on a big scale.

- *Q: And why not?*

B: Because it is still too expansive. Wind and solar are too expensive. Okay, in Austria they have 70% of their electricity produced on the base of renewables, but they subsidize a lot. A rich country can really work in this. In Austria you see a lot of windmills, the government pays 5000 euros per mill to the landowners. If you have a lot of land and you have 20 mills on them, you get 100.000 euros, for doing nothing, just having these mills on your land. This is a lot of money, so I don't think that something like that is affordable for Slovakia, at the present.

- *Q: Some people say that there is a dependency on Russian gas in Europe. But on the other hand there is also a dependency in Russia, they need a security of demand, if we don't buy there gas they also have a problem of course. But is it the case in Slovakia that it is equally? That Slovakia is dependent on Russian gas, but that Russia is dependent on Slovakia consuming the gas? Or is Slovakia as a transit country more dependent?*

A: Slovakia is more a transit country. Slovakia itself is just a small market for Russia. We consume around 5 billion cubic metres of gas, so it is not such a huge amount for Gazprom and definitely there are other European countries that are much more important customers to Gazprom than Slovakia. The transit was the main issue in Slovak relations. But now with Nord Stream II the story is over. It took some decades but now this correlation between transit and consumption in Slovak gas relations is over. There were many speculations and during the Meciar era there was even the idea that Slovakia would become the main partner for Russia in the region, we will make Bratislava the main place where gas will be sold to the rest of Europe. Meciar had some problems with Europe and we were excluded for the EU enlargement round of 97-99. But all these stories of speculation, and even corruption and gas relations is getting to an end. It's over with Nord Stream II and actually Slovakia is already more dependent on the European gas market than on Russia. Because if someone buys gas from Russia, Qatar, Australia, whatever, and if it's stored here and sold, we can transport it everywhere. We still

need more connections with the Balkan, to connect it with the LNG terminal in Poland, Baumgarden in Austria, or other hubs.

- *Q: Maybe it is a bit more expansive than the gas from Ukraine?*

B: No, no. Actually, the gas prize of Russian gas was always very non-transparent. At one time in 2010, Germany paid 210 dollars per cubic metre, we paid like 300something and the Ukrainians 460. So there was no logic, the shorter the distance the bigger the price. There was no logic because it was all based on bilateral contracts. You never knew what was included in the contracts, how it was calculated, so there was a lot of in-transparency in these bilateral deals with the Russians. Now it is better but still you have different gas hubs and if it is a warm winter there is a lot of gas stored in the gas storages. But you have the sell it within the year in order the renew it. In a warm winter there is low consumption and a lot of gas, the price is much cheaper and the Ukrainians pays way less when they import it from Europe, even if it is originally Russian gas, than when they would directly import it from Russia. There is no logic there, the only logic is the market, the infrastructure and access to the market. And this is a huge market. The Russians, if they are thinking that they can replace it with China and so on, you can see that you cannot compare the volumes they sell to Europe with the ones they sell to China. That is no option for them. And oil together with gas is more than 50% of the income of the state budget, so our budgets are not so dependent on trade with oil and gas than their budget is. According to former Russian finance minister Kudrin, the share of export of oil and gas forms more than 53% of the income of the Russian state budget. Now, you can imagine that the oil price of around 50 US dollars per barrel, while it used to be 100. They need much more to sell the gas and oil than we need to buy it from them directly.

- *Q: And you said it is cheaper for Ukraine to buy the gas from Europe than to buy the gas directly from Russia?*

B: Yes, since last year they bought 0 cubic metres from Russia, for the first time in their history, 2016 was the first year for Ukraine that they were not buying Russian gas.

- *Q: But there is still Russian gas transiting through Ukraine right?*

B: It is still transiting, the transit is even growing. This is really a great achievement of the new leadership of Naftogaz, Kobolyev and other guys, they managed to maintain the transit service, it's working, there are no problems, while they stopped to buy Russian gas for their own consumption.

- *Q: So the Russian gas goes through Ukraine and the Ukrainians don't use it, and once it is in Europe…*

B: They import it from Slovakia, yes, hahaha.

- *Q: Haha okay wow.*

B: And it's cheaper that way.

- *Q: And how does that work then, it goes through Ukraine with one pipeline and there is a second one going back?*

B: Yes, actually the Brotherhood pipeline system is made out of 6 pipes. Altogether it was built with the capacity of 130 billion cubic metres a year, but we don't have the compressor capacity because it was never used in such volumes. The highest number of gas transited from Russia to Europe was 94/96 billion cubic metres a year. This was the highest volume of transit through Slovakia. But then you have also a pipeline from Ukraine to the Balkans, so you have to add something, but that is not such a big consumption. Bulgaria, Romania and Serbia. Serbia and Bulgaria are completely dependent on Russian gas. So this goes via the territory of Ukraine and Slovakia and Romania. But the majority of the Brotherhood gas goes via Slovakia and here 3 of them go to Austria and Italy and 3 of them go to the Czech Republic and Germany.

- *Q: And how many lines go back to Ukraine?*

B: The transit reported by Eustream over the last years is 53/54 billion cubic metres of gas, and the capacity of Slovakia is 100, so we are running on half of the capacity, so we can use 3 lines for the reverse flow. So 3 lines are used to transit the gas from Russia to Europe, and 3 lines can be used by the Ukrainians if they want. But they do not need it. Ukrainians produce around 20 billion cubic metres of gas on their own soil, it is their own gas. And the consumption was decreased because of the economic crisis and so on, now they need annually around 40 billion cubic metres a year, in 2015 and 2016. Before they consumed 76, but that was during the period of economic growth, but after that is has decreased a lot. If you look on the Naftogaz website, you can see all kinds of nice overviews and graphs on the development, which I really recommend. So they need to import 20 billion cubic metres of gas, and they do it via Slovakia. We can deliver them 14.5, Hungary 6 and Poland 2 but they are expanding. So they have these three roads and that is enough for them to meet their domestic consumption. And they stopped to import it from Russia.

- *Q: How did Slovakia react to this idea of Donald Tusk of buying the gas all together?*

A: This was the original idea of the Energy Union proposal and this is one of the core ideas raised by Donald Tusk. But I think this idea is already over, because even following the EU legislation, the power of the governments is limited. The European Commission has some rights on intergovernmental contracts of supply, but not on the corporate contracts, and most of the actors on the gas market are corporate companies and the European Commission doesn't have the right to look into their business. So there is no legal base for the European Commission to implement it. So the idea stopped already on the European Union level. I know that there was agreements with the European member states during our presidency last year, or maybe earlier, that the Commission is authorized to simply control only those intergovernmental contracts and not the corporate ones. But they did make the change to ex ante checking of intergovernmental agreements, which is a start.

- *Q: So they didn't change it?*

A: They didn't change it. And there are other concerns, other reasons why it is not a good idea to purchase gas together: we still have different prices and different regulatory policies. We are actually not eager to lose capacities to manage better agreements.

- *Q: So there was no support from Slovakia, Czech republic, Hungary?*

A: They were very reluctant I would say, our governments.

- *Q: So Poland and Donald Tusk were on their own?*

A: Yes, more or less. There was no agreement on that.

- *Q: And were there other things that the Visegrad countries did agree on when it came to the Energy Union?*

A: Definitely. There is a high level group established by the gas crisis and all those interconnectors we have now, after the gas crisis, were coordinated within the V4. So first we managed, with talks and agreements, to develop that. And the agreement among us was also very helpful to get support from the Recovery Program, to get cofounding on those projects. So if there is agreement, the European Commission respects this and works with that. We worked on this on the highest level, the V4 has a regular schedule of events and we have a rotating presidency within the V4, but specifically for energy we created the 'energy group of the V4'. Sometimes on the prime ministers level, the ministers with the energy portfolio meet at least 1 time a year and 3 or 4 times a year the experts of the national governments meet, when the energy ministers want more details. So the gas infrastructure that we have managed now is really thanks to this regional cooperation. So that's the first thing that the V4 countries agree on.

Secondly, we always try to develop positions within the European Union on energy issues, such as nuclear energy, or emissions. Two years ago we managed to reach agreement on CO2 emissions and then we managed to preserve this position within the European Union. So this cooperation proved that its helpful. It can't help us with everything, because we don't agree on everything, but if we can agree on something, then it works.

- **A Telephone call breaks up the interview -**

TAPE 2

- *Q: Do you know if Slovakia or the other Visegrad countries did any lobbying during the agenda setting phase of the Energy Union? Is it a coincidence that Šefčovič is the commissioner? Or is there a specific link with Slovakia?*

B: There is a link because of the election of the Commission and Šefčovič was leader of the ballot of the SMER party, the prime minister's party. But I wouldn't say that there is a link. My observation is rather that there is a lack of understanding between them. At our annual energy conference, Šefčovič is a traditional speaker and we also invite high officials from the V4 countries, the energy ministers, and I would say that they are rather critical of the course that is going on. The Visegrad countries do not accept some things of the Energy Union, like the climate policy, especially in case of Poland. So we support each other more or less, not too active, but we respect each other's national interests and we support each other in some issues to get support from the others in other issues. The Commission and Šefčovič are rather unhappy with the current relations, especially when it comes to Hungary and Poland. That's partly because of political issues, the new governments, Orbán and Kaczyński, but also because Poland is very strong opposing and defending its coal pillar of the energy mix and even Šefčovič is, I would not say unhappy, but the outcome is not the one he expected.

- *Q: And is he happy about Slovakia, Šefčovič?*

A: More or less yes, because Slovakia is not a problem. Actually, as I said, we already met the 20-20 targets.

- *Q: And is there a common ground for the Visegrad? Or do they all have very separate perspectives and they don't really work together?*

A: No no, we work together, like I said. Visegrad is strong because it is not a formalized structure. I mean, what is the Visegrad? We have those presidencies and some additional mechanisms and regular meetings on the high level of politicians, but Visegrad is first of all about the middle level of administration which works together. And if something is coming new from the European Union, the first calls come from the directors of relevant departments, not the state secretaries, deputy ministers, prime ministers, but directors at the middle level of management of the ministries, they consult among themselves first within the V4. After exchanging positions, we'll see, and if we can agree, then it works and then it goes up to the deputy ministers, ministers, prime ministers and then we have a V4 position within the EU. This is the strength, that the intensity of the exchange of information, the contacts, are on the middle level of governmental management, this is really very strong. It is not like a formal institution, the only institution we have in the V4 is the Visegrad fund. Nothing else. There is a rotation presidency, that's it. But the informal exchange of information in a very pragmatic way, on the middle level of management is going on, and this is the strength of V4.

- *Q: And in regards to the Winter Package?*

A: The discussions are going on. I wouldn't say that the V4 has one clear and united vision when it comes to the Winter Package. There is an organization called 'Central European Energy Partners', they are based in Brussels and we work with them, but they represent the interests of the Polish industry, including all those heavy industries and the coal lobby. And they organize events, produce reports, positions papers, but they are called *Central European Energy Partners*, but that doesn't mean that it is equal to Visegrad. They want to invite stakeholders from other countries and to work together, but it is primarily a Polish initiative. Right now we have to comment on the Winter Package and there was a seminar they organized in Brussels in the building of the European Commission December last year,

and they produced a report so you can check it, but it is still on the unofficial level, the think tanks and experts still, so it still not an official agreement between the V4.

We will see how things will develop. If Poland asks for support, then there will be talks, and maybe some agreements or maybe no agreements.

- *Q: But to me it looks like the situation is too different for Slovakia to support them in their comment?*

A: It is different. But look, we are here in this region, and we have this mechanism, the V4 consultations, and the rule is if we agree we go together with all the partners, actors, if not: okay, go to other partners. So it is very flexible. But every government can securitize, or problematize, put importance in some topics. We'll see, the Winter Package is still not subject to the talks and agreements on the official level. On the unofficial level, this is going on, you can check on the Central European Energy Partners, CEEP, website, because they lobby for such a position.

- *Q: Okay.*

A: They lobby the interests of the Polish energy, I mean the producers, consumers, companies who all have their special business.

- *Q: But they are mainly focused on Poland then I think?*

B: Poland yes, but actually we invite them if we organize something, they invite us, but it is primarily a Polish initiative, yes.

Interview with source from the Polish Ministry of Energy

Warsaw/Ghent, over phone, 27th of June 2017
46 minutes

- *Donald Tusk was one of the first people that mentioned this idea of an Energy Union and before him Jerzy Buzek also mentioned ideas like that. Why did this develop in Poland and has this changed with the new government?*

The idea of the Energy Union was established in 2014, mainly in reaction to the crisis in Crimea and there was a big threat for the EU as well, in particular in regard to Energy and especially gas supply. The majority of eastern member states are very much connected with energy infrastructure to Russia, because of historical reasons. The Baltic states for example, their electricity system is part of the Russian system. Even though they have some connections with Poland, Finland and Sweden, from technical point of view, from operational point of view, they are part of the Russian system.

Ukraine is of course not a member state, but they are also part of the Russian system. The ownership of many of their plants is Russian. Coal, nuclear plants and the nuclear fuel is also from Russia.

So there is strong relation of dependence between eastern and central European nations, also Poland, that used to be part of the Soviet Union, or were satellite states, and Russia.

And well, formally the non-paper was presented by the previous government, but this policy hasn't changed much.

- *And how dependent is Poland in this respect?*

Yes Poland, in case of electricity it is pretty easy. The total of generated electricity capacity is generated in Poland. We are self-sufficient in case of electricity. The energy mix we use to produce this electricity is 80% domestic coal, as well as a percentage of renewable energy sources; hydro, wind and biomass, solar is not that developed. There is some exchange with other countries, but we can fully rely on our production.

In case of gas, we are importing 2/3 of our domestic demand from eastern direction, mainly from Russia, with pipelines coming through Belorussia and Ukraine. We getting more and more diversified. Last year, we built a LNG terminal in Świnoujście, in the western part of Poland, and there are plans to increase its capacity from 5 billion cubic metres per year to 7.5. So it makes us less dependent in case of gas.

In case of oil we are dependent on nearly 100%, 95% we are importing. But we can use several directions. We are equipped with pipelines to Russia, but also harbours can import oil from overseas. So there is still dependency on Russia, if they stop supplying it would cause problems, but far less than with gas.

The original idea of creating an Energy Union by prime minister Donald Tusk was to make Europe more independent when it comes to energy supply, especially in case of oil and gas. This was the main pillar of the energy union. Thus we, Poland, we see that the energy policy of the European Union is not developing in a symmetric way. The main pressure is put on renewable energy and the second pressure is put on the market.

- *So you feel that the energy security goal, which is one of the three goals, is placed on the third priority?*

Yes, yes. And it was our idea to develop an energy policy for the EU related to energy security. And this was in the original non-paper of Poland, that we distributed to the EU member states and the European Commission. The European Commission has taken the idea and added other issues, making all together 5 dimensions of the Energy Union. Which is currently energy security and solidarity, energy market, renewable energy, research and development and energy efficiency and savings. Which in practice means that these 5 pillars cover the whole of the energy policy of the EU. So this means that our goal to underline the necessity to become more and more secure in case of gas and oil and electricity supply, in the final version it became one of five pillars. From which the decarbonization, the climate issues, are understood by the Commission as the main one. And as we see the recently issued package of legislation, also called Winter Package, issued by the Commission on the 30th of November last year, it focuses on clean energy for all Europeans. Those documents, there are 8 proposals for directives and regulations, they are aimed mostly to develop renewable energy and to put energy consumers in the centre of the market, which is a good idea but energy security again is now not as much as we saw it in the beginning of our idea.

- *Yes, but I heard that one of the earlier packages, before the Winter Package focused more on energy security? What do you think about that?*

Yes, you are right, it was also a winter package, from the year before, but it was only related to gas issues. It was a package of 4 documents. It was a regulation of intergovernmental agreements, IGA's, and of regulation of security of supply, but gas supply. So this was a very limited area of security.

- *Yes, but was Poland happy with those proposals?*

With the proposals yes, but the legislation of this gas package is not finished yet, there are still some works on the parliamentary and council level. We thought that during the Estonian presidency all the works would be finished.

In case of electricity, the third package of the internal market package, of 2009, is not finished, the directives and regulations, also several so-called network calls have to be prepared and accepted. Currently we have half of them already elaborated and accepted by the member states, and the European Parliament. Those proposals are related to the third package of 2009. But now we are working on the Winter Package and in the second half of the year we will start in the Council with the discussions on very concrete and technical, complex issues.

- *And the other Visegrad countries, do you cooperate with them on this?*

The cooperation is of course not only related to energy, but to all kind of policies. Until the 31th of July we are the so called president of the V4. During this time, we organized several meetings at the highest level, at the prime ministers and presidents level, as well as working group level. Before each Energy Council, we organized a so called coordination meeting with the ministers of the V4 countries and also several conferences, discussions and so on. And we are trying with all of those countries, to speak with one voice, although each country is free to present its own opinion. We see in this Winter

Package, that in some cases the V4 countries are not speaking with one voice. Because it is not obligatory to be in line for each proposal.

- *And which cases are you not agreeing and in which cases is there one line?*

We are trying to be one line as much as possible, in as many aspects as possible. But in some cases there are different positions. For example, Poland… Maybe not Poland. Slovakia and Hungary are very much focused on keeping regulated prices for electricity alive. The Czechs have already made a switch to market prices for end users. So that means there is no market regulation for the level of the price in the Czech Republic, for end users. In Poland this is also important, but we haven't picked it up yet.

Other issues. For us, the priority in the energy policy of the Union is to keep freedom for creating our own energy mix, because we very much rely on coal for the generation of electricity. A majority of our generation is from coal, but it is not the priority of the EU policy to keep coal alive. In the case of the Czech Republic and Slovakia, it is not a problem for them because they have diversified energy mixes. Both countries have installed nuclear power plants, but that is not the case in Poland, we don't have nuclear plants. So they are very much interested to make some advantages for nuclear power. They are trying to push forward the policy of nuclear.

- *And are there any other member states in the EU that feel the same as Poland that the sustainability part of the Energy Union is too much, too big and is too much affecting the independence when it comes to the energy mix? Are there any member states supporting you in this?*

Well yes, especially in case of infrastructure. They see that the Energy Package should be more focused on energy infrastructure in electricity and in gas to make real markets, and they see that there are some areas in the EU that are so called energy islands. So they are not connected. Especially Portugal and Spain, the Baltic countries, Malta and Cyprus. They share our position that energy security is one of the most important issues. However, we see it from the other perspective, our perspective is that you should keep as much as possible of the own generation. We are not adjusted to importing electricity. We are adjusted to having our own capacity.

But the question of the security of supply, is for many countries important, not only for Poland, especially for countries like the Baltic states, Bulgaria, Romania, so mainly the new member states from 2004.

- *Okay yes, and I also heard that within the Visegrad countries, Slovakia, the Czech Republic and Hungary already are quite well connected. Is Poland already connecting with those countries?*

In electricity or in gas?

- *Well both?*

In case of electricity, we are well connected. We have a few lines to Germany, to Slovakia, to the Czechs, as well as to Ukraine, to Lithuania and to Sweden. They have, especially Slovakia and the Czechs, very good connections between the countries because they were formerly Czechoslovakia, so this was developed commonly. In case of Hungary, they are lacking some lines, I don't remember to where, I should look on the map, also Romania and maybe Slovenia.

But we have a common problem. Our systems are sufferings from loop flows. Actually this is effecting our energy security now that I think of it. In a few words, this works like this: the electricity is generated in wind farms, located especially in the north of Germany, and it is flowing freely in the system, not directly to the consumers. In Germany the consumption is mostly in the south, where there is big industry, as well as in Austria, where there are pump storage power plants, which can work as an electricity storage. This means that in times of a surplus of electricity, they can storage electricity from the system, pumping water from the lower reservoir to the higher reservoir and during a high demand for electricity, they can regenerate this electricity via the water.

But the energy produced by the windfarms in the north of Germany is also flowing into Poland because inside Germany there are some gaps in the electricity network, especially between former East and West Germany. And the electricity flows into Poland, but also into the Czech Republic, Hungary and Slovakia, and it is blocking the capacity for other trade; from Poland to Germany, from Poland to the Czech Republic, et cetera. Because this electricity from German wind farms is not scheduled, so it is very difficult to consume when the electricity is flowing. And because of this, the Polish electricity operator and the Czech one, have to block some amount of electricity for this reason. This is why the electricity capacity that is available for other traders in limited. So as I mentioned, the capacity between Germany, Poland and Czech Republic are high, however only for end users, for the traders there are limits. So we started a discussion and now we will invest, together with Germany and the Czech Republic, to build some grid equipment to limit the unexpected flows from west to east. So this is my answer related to your question about the connection between the different countries.

In case of gas, the capacity is under development, the gas connection between Poland and the Czechs and Poland and Slovakia, they are constructed, also using European money. They are going from north to south Poland and some are passing through Poland to Germany. So infrastructure development is one of the key issues, especially in gas. In case of Hungary I can't tell you more, because I don't know that much about the gas connections. In electricity, as I mentioned, there are some gaps at the border.

This region of course always played a role of connecting east and west when it comes to gas. The construction of Nord Stream II is dangerous for the V4 countries and the Baltic states because the idea of Nord Stream is make a bypass around those countries. So this is politically a very complicated and delicate issue for the V4.

- *Yes I understand, I heard that Slovakia and maybe Poland and other countries wanted a provision in the cooperation between Germany and Russia that in the future there will always be a guaranteed flow of gas coming through Ukraine to Slovakia and through Belarus to Poland, but I don't know if this is true and how this can work?*

Unfortunately, I can't say, because I don't know the details on it. It is a delicate issue. Our vision is that the construction of Nord Stream II should be consulted with the European Union countries, not only those countries that are directly interested in the gas pipeline, but with the whole community and it should be a special mandate from the European Council to the Commission. I can't say more.

- *No no, okay. But when there will be this mandate from the Council, that will mean that some Member States can try to block the mandate?*

I don't know. The mandate is not discussed. We propose the concept of a mandate. But it is not my responsibility so I don't know.

- *Okay, can I ask a question about the energy mix, because right now it is still the case that every member state can control its own energy mix and I don't think that that can be changed, because that will mean that there has to be a big change in the treaties or something. But does that mean that however the Energy Union will develop, Poland can still decide on its own energy mix? Or are there other things like the 2020 goals that will force Poland to make less use of coal?*

Yes you're right, it is in the treaties, article 194, each member state is free to choose its own energy mix, but in practise the freedom is very much limited by different tools. For example in case of CO2 emissions, there are tools for regulation the energy mix, like the EUFF [Financial Framework], the legislation discussed in the Winter Package, limiting the capacity market. You know the capacity market is an idea that the investor can get compensation, not only for electricity which is generated, but also for electricity which is going to be generated, for electricity that is installed. You are paying for the electricity you are using, but we see that due to the different disturbances on the market, there should be also some compensation, or extra money for the possibility to use electricity. It will not be a high amount but this money will help investors to build new capacity. Because currently on the electricity market, we have several disturbances, related first of all to different kind of subsidies, very big subsidies for renewable energy in Germany, but also we have some subsidies for coal generation, probably also for nuclear. And the effect of such subsidies is that sometimes during the day electricity in Germany has a negative price. So this means that you will not pay for using the electricity, but you get money for using the electricity. It doesn't encourage investors to invest in new capacity, on coal for example, or nuclear. Because it means that with such low prices, you will never return the investments.

- *So you cannot start nuclear energy in your country, or you cannot change the way you produce energy because the prices are too low? So it will not make economic sense then?*

Yes. Nuclear is by the way another issue. But the investors in Poland cannot start. They don't see the economic reasons to start new power plants, without any aid from the state or from the bank, because of the low prices of energy. But Poland is in a very different situation than compared to the majority of member states, because we are assuming that energy consumption in Poland will be growing in the coming years. We are developing quite well, our GDP is growing 3% per year and also the energy consumption of Poland is growing. Compare this to the rest of Europe where there is a stable energy consumption and very stable GDP growth. You should also know that the majority of our power plants is 40 or even more years old. So this means that they have to be replaced, replaced by new ones. Because the average life cycle of power plants, especially coal power plants is nearly 45 years old. So the coming 5, 6 years ahead, the majority of them will be replaced.

- *And will they be replaced with new coal plants or with other kind of power plants?*

Different types of power plants. Gas, maybe nuclear, but coal as well. Coal, but using cleaner technologies, because these 40 years old plants create more emissions and are less efficient. Now new technologies are available, also in Poland and all around the world. We have a good cooperation with Japan to exchange these technologies. So the technology is available, but the money is not available.

- *And you said that your own control on the energy mix is in practise limited because of this capacity market?*

Well mainly because the EU ETS, the Emission Trading Scheme, which puts an additional burden, an additional fee on CO2 emissions. Currently the price for 1 tonne of CO2 is at the level of 6, 7 euro, which is low, but according to some estimations, the price may be at the level of 30, 40 euro in 10, 15 years, which means that it will double the prices for electricity in countries such as Poland. So this is why we should reduce emissions, we should increase the efficiency, we also should increase the share of renewable energy, which is emission free and also increase the possibility to exchange energy with neighbouring countries.

- *But this Emission Trading System is not a part of the Energy Union, so how is the sustainability pillar of the Energy Union itself limiting your freedom around the energy mix?*

Yes, you're right. The Emission Trading Scheme is a part of climate policy of the EU, so it is not even under our ministry, but under the Ministry of Environment, and the ETS is not a part of the Energy Union as you mentioned. But one very important part of the Energy Union is so called governance, governance on climate and energy is one of the 8 proposals of the legislation of the Winter Package. And this regulation puts some burdens on the member states and puts some schemes on reporting, reports of how to cooperate with the neighbouring countries which must be presented to the Commission every 5 years probably. This is also meant to put some obligations on the member states, by themselves, related to the renewable energy share of the energy mix, some achievements that have to be achieved in energy efficiency and several other factors, including interconnectivity, so the share of renewable capacity can be shared with Poland. But this is also related to energy poverty. In fact, the so called Energy Union governance, the aim of it is to replace the national energy policy

and to make a common scheme for all energy policies of each of the separate member states. One important aspect, a new one in this concept of the Energy Union, is regional cooperation. And regional cooperation obligations are also related to energy policy, this means that if you are preparing a national policy for energy, for example the energy mix or the search for new generation plants, neighbouring member states are obliged to coordinate and consult the proposals. And the result of such consultations must be presented to the Commission.

Interview with Lívia Vašáková, Economic Counsellor at the Representation of the European Commission in Slovakia and former expert at the DG Energy of the European Commission.

Bratislava, 19th of May 2017
42 minutes

- *Q:Where did the idea of an Energy Union originate from? And how were stakeholders involved with the agenda-setting phase?*

V: One year ago I organized this survey among energy companies in Slovakia, NGO'S and institutional players. We asked them several questions about the EU Energy Union. At that time it was a new project and our headquarters wanted to have feedback on this. Among the three dimensions, sustainability, energy security and energy market reform, security was basically the top issue, that was expressed by several players here in Slovakia. The second one was competitiveness and energy prizes and to be honest, nobody really cared about sustainability. Energy security scores high in the region. I would say that the main field of interest is gas, how to ensure that we have gas at any moment. But also, how to preserve the transfer fees, which are quite high. And the Eustream company [which builds gas lines and transports gas from Ukraine to the rest of Europe], meaning that there is a significant amount of money flowing in the Slovak budget.

I would say that Slovakia is more or less happy with what was presented in the Gas Package, which was presented in February 2016. There was one regulation and a couple of directives on how to improve the security of gas supply. The only thing that they were not that much happy about was this regional distribution of risks. At the moment this is still done on the national level, so you need to have some measures for in case the supply is not sufficient. The Commission proposed to do this on the regional level. And there, there was a big discussion, not only with Slovakia, but also with some other member states, and this was, I would say, the most contentious point in the proposal. Everyone was happy with this change of ex post to ex ante review of intergovernmental agreements. Anyhow, there are very few in the case of Slovakia. And this was meant for the Commission to have an overview of what is happening and what are the new contracts that are being prepared by Gazprom and Member States' companies.

- *So the Commission can overview these contracts that are made by the governments with the Russians, but also the commercial ones?*

Normally you have a memorandum of understanding first and then you have a commercial contract. So you have a memorandum of understanding between the government and the Russian government, and then you have a commercial contract, Gasprom-Eustream for instance.

- *But those commercial ones are not …*

No no also the commercial ones.

- *Ah so the European Commission can monitor those?*

Yes.

- *Already? Or that's the idea of the Energy Union?*

We can do it ex post, so once they are signed, now the change is that we can do it ex ante. That is the change, and as I said, Slovakia is not really against. And also regarding these regional emergency plans, they have found an agreement. So the Gas Package is more or less on its way to be approved. The big thing is now the Winter Package, which was proposed by the Commission on the 30th of November last year, where you mostly have issues dealing with renewables, energy efficiency and energy market design.

- When you set these three goals: security, sustainability and competitiveness, and you also have the five dimensions [security, energy market, energy efficiency, decarbonization and research], is security really something on its own? Or are the other dimensions meant to improve the security?

I think they are all interlinked. For instance, speaking about security, that means also increasing energy efficiency. Because when you use less energy, then you don't need to import this energy, so certainly they are interlinked. And also you decrease costs, because you consume less energy. So it is not just about the unity costs, but also about the overall amount of money you can save.

- So which measures are not linked to the other dimensions, which ones are purely focused on security?

I would say that all of them are somehow interlinked. For instance diversification or the building of new infrastructure, those will complete the internal market. So it is not just about bringing some emergency gas to Slovakia, but it can also help the market to function properly. To have more supplies, to be able to compete and to get a lower prices and better services. So I would not see it as an exclusive security of supply thing, it certainly also helps the internal market.

- The first ideas of this Energy Union came from Poland as I understand, from Donald Tusk, he made this suggestion in this article and before hem Jerzy Buzek also made plans like this. I have the feeling that their idea was more focused on the common purchase of gas.

That was indeed an idea that came from Poland, because at all costs they would like to avoid the use of Russian gas. Also in their pipeline policy they try not to allow Russian gas to go inside their domestic pipeline system. I would not say that the whole Energy Union idea was created in Poland. Certainly they are one of the most vocal opponents of the sustainability part, because it will cost the most damage to their current industry. So regarding gas, yes, they came with a couple of ideas on how to improve the situation. On the contrary, the project of the EU Energy Union was based on several factors. Not in a specific order: the first one was the decrease of investments. If you don't have investments than you can't use pipelines later on because they were not build in the first place. Then it's not just about the energy sector, but it is everywhere that we were lacking investments. During the crisis the level of investments was 50% below the pre-crisis level. But that is also why the energy sector was deprived of money flying into projects. That is why we wanted to boost investments and to catch up for the gap that was created in the post crisis year.

The second thing was the Paris Agreement, that we needed to pledge our commitments to the international level. So that is why we needed the consensus at the EU level. What are the

commitments that we are willing to make. And this was mainly the AEL(?) greenhouse gas reductions, renewable energy and energy efficiency.

Then we had the problem with security of supply. This was exposed by the Gas Crisis between Ukraine and Russia. In 2009 there were some member states that were without gas and they were forced to stop gas supplies to industrial consumers and in some cases also to households.

And then, but not least, there was a big difference in energy prices compared to other regions. Like for instance the US or even some countries in Latin Amerika. Where we are competing on the global market with products that are facing global competition, but facing much higher energy costs compared to the US, for instance. So that was also the reason why we wanted to improve the internal energy market in order to benefit.

- And all these problems were all mentioned to the European Commission?

We were aware of these problems and we understood that the solution should be one project that would combine all dimensions, because not all member states are in favour of all of these dimensions. For instance Scandinavian countries, Germany with their Energy Wende, they are very much in favour, probably the Netherlands as well, of the sustainability dimension, that we should go carbon free, that we should have more renewables in the system, that we should push for higher energy efficiency. While I would say in Poland there is a high reluctance to have more renewables, because this will push coal out of their system. Also here in Slovakia we have a lot of nuclear capacity, we have renewables. So this was not that much shared, but these countries are more interested in this security of supply dimension, so everybody found something in the project of the Energy Union that pleased their particular country, but now it comes to details it might get difficult.

- Yes, because not everything is approved at once.

No, no, it goes by packages and even inside the packages, you have various legislations, so yeah that will be an agreement on all legislations on sight.

- And do you think that the sustainable packages will have difficulties?

I would not say so, I think energy sufficiency has good chances that it can go through. The level of ambition is of course being discussed. The Commission proposed 40%, environmental NGO's and some member states would like to go higher, here the idea is basically to go for the 27% that were agreed by the heads of states and governments.

Then renewables, I would say that there are plenty of market suggestions in order to get away from the system that was excessively rewarding renewables while technology costs went down. So I would say there is bit of everything. On the other hand, the Commission is proposing to simplify things for renewables, so they have an easy access to the grid. So I would not say that this is really just towards sustainability, also how the market can work better.

- But when you read about the Energy Union project, on many platforms, the media, even Wikipedia, in many cases they start with Donald Tusk and his idea from 2014. And then if you look at the end result right now, the sustainable part is totally the opposite of his idea. I think he literally wrote down in his proposal that member states should not be forced to change their energy mix and…

There is still this prerogative that member states can better mind their own energy mix, because some are already being changed with 20-20 targets, so I would not say that this is not something that cannot be overwatered, in case there is political will.

- How do you mean?

That the prerogative for national governments that the energy mix is in their hands is in the fundamental treaties. But the Commission anyhow proposed the 20-20 targets, so greenhouse gasses and renewable energy, and they were approved by the heads of states and governments, so meaning that they voluntary accepted that they will have some limitations regarding their energy mix. What the Commission proposed for 2030 is an EU wide target for developing renewables at 30%. Now the Commission is collecting pledges from member states on how high they would like to go and then we will do a calculation, a kind of modelling to see whether this can bring us to the target or not. In case it will not, then the Commission can also push for some other measures, or peer pressure from other member states can help.

- But for Poland this means that they, because they really like coal, they want these clean coal technologies, that's maybe their idea, but the other Visegrad countries, I have the feeling that they use nuclear energy to lower their emissions. How does the European Commission looks at this?

At nuclear or at coal?

- At nuclear.

Nuclear is enhanced by 14 member states and 14 other member states are against. So it is half-half. For the moment. When Britain will go out, it will decrease the position of nuclear energy in the EU, because they also have big projects for the future and not just many currently existing power plants. But the Commission is not telling member states that they should go out of nuclear. The commission is telling that if you use nuclear, then there are certain security and safety standards that you need to respect. And this is all that the Commission is regulating.

- And it doesn't collapse with the sustainability part of the Energy Union project?

I would not say so because nuclear is carbon free, it is not renewable but it is carbon free. And for instance in Slovakia power generation is for 80% or even more carbon free, because of nuclear and because of hydro. And then there is solar that is being built recently.

- And bio?

Yeah biomass, yes, but biomass is not carbon free. It has less emissions than coal or gas, but it is not carbon free.

- Is it a coincidence that Šefčovič is the commissioner for the Energy Union? Because he is from this area of countries that find the security part very important?

In the beginning there was a Slovenian lady.

- Bratušek.

Yes, Alenka Bratušek, who was nominated for the post. But she failed to impress the members of the European Parliament, so this is why she was replaced by Violeta Bulc. And then there were political considerations, she was new, she was just an ordinary lady from the European Parliament, so they did some reshuffling and Maroš Šefčovič was somehow designed to be the vice-president and got the Energy Union. But I would say there was no consideration that energy is so important for the region. I would say that it was that they at the last moment needed to seal the deal.

- Is renewable energy too expansive for Slovakia to increase their share of renewables? Because I spoke to some other people and they said that it is too expansive to have these solar panels and wind mills?

Yes with the current system of support it is too expansive. That's true. Because you have feed-in tariffs that are much higher than the market price. And these feed-in tariffs are then included in end prices which increases the prices for consumers. On the other hand when speaking to the renewable industry, they are telling me that even without the feed-in tariffs they would be able to survive, they basically need only to be given enough access to the grid, which is not the case now.

And hydro is fully competitive.

- *Yeah, hydro is of course something that is already quite long in the Slovak system.*

Yes, yes, indeed.

- *So I understood that Šefčovič had this idea to develop regional clusters first and then unite these later. I think you also mentioned this earlier…*

For what?

- *For electricity and also for gas, and maybe also for other energy sources?*

What we have seen for the moment in the field of electricity are the market couplings that are being build. For instance in Slovakia, we have markets coupling with the Czech Republic, with Hungary and with Romania. Then you have a big north pool in Scandinavia, that is now linked to the Western European pool where you have the Netherlands, the other Benelux countries, Germany, France. So there are already these kind of regional groups that are working together. And the Commission understood that this might be the best way to fully integrate the internal market.

Then regarding emergency measures, so meaning that there is really not a normal functioning of the market, but when you have an emergency, I don't know, shortage of gas or whatever, how to help your neighbours. So these are the regional emergency plans. This is a bit different but yes, we are pushing for a more regional dimension, in order to get to the EU dimension in the end.

- *But these emergency measures are only focused on gas or also on electricity?*

No for electricity as well.

- *And these market couplings, how are they going for the other energy sources?*

For oil there is no need because you have global markets where all oil is traded. Nuclear power exchanges are rather local, because you need those to be physically delivered, it is not possible to deliver electricity to Asia or to the United states. And gas markets, they are mixed markets. You have Henry Hub in the US, that is the price setter. But then you also have pipeline prices, LNG prices, they differ. So I would say the market is somehow mixed. But the Commission is trying to get each member state to have access to all these different recourses of gas, in order to get some competition on the market, and then there is also no more single dependence on the delivers of Gazprom, forcing these member states to buy gas for higher prices. In Lithuania this has worked quite well because they built a new LNG terminal in Klaipėda, they are not using it, but just the fact that they have the terminal has decreased the prices of the pipeline gas from Russia by 1/5th.

- *Ah okay, that's interesting.*

Yes that is very interesting.

- *And the market coupling, Poland is not yet coupled to the Visegrad states?*

I think Poland is coupled to the Baltic states. But there is a problem with the Baltic states, they were linked to the Russian system. But I think that now Poland is linked to the Baltics states. So it not linked with Slovakia and the Czech Republic.

- *And when will it be linked? When will these regional markets be linked to each other?*

That is difficult to say because we had a target for 2014. There was also a declaration that there should be an internal market by 2050, that all barriers should basically be fallen. So it is difficult to tell you. There are some measures that can help in the direction of pulling these markets together. But it happens slower than expected, from the sight of the Commission.

- *So you would like to have this faster, this integration.*

Yes, for instance the electricity lines to Hungary. Slovakia has commercial interests to build these lines as soon as possible, because we have and we will have, excess electricity. Our prices are lower, so soon we would like to export to Hungary. But the Hungarian main electricity producer is of course

not in favour of having these electricity lines build as soon as possible, because it will diminish their business in Hungary. And this is just one example how it can get blocked.

- *And these cross-border infrastructures, they use programs like 'Projects of Common Interests'?*

If you would like to get support from EU funds, then you need to be on the list of Projects of Common Interests. But you are not certain to get the money. You also need to apply to get the money afterwards. It's called Connecting Europe Facility. And a gas or electricity project can apply for financial grant. And it takes some time to get it. You can get finance for feasibility studies and for works.

- *Okay, and it is all co-financing?*

It's co-financing yes.

- *So there are some problems with these infrastructures that connect these countries. But I heard that it is going quite okay, but that the regulatory policies are still too different between these countries.*

Yes, the regulatory policies are different. The Commission is pushing to have more competences at the level of ACER, this is the Agency for Cooperation of Energy Regulators, but member states are mostly against. They would like to keep their national powers in their national hands.

- *Ah okay. And what do you think will be the result of this different perspective?*

I think there is a strong push from the Commission, but also from some member states to finalize the stretches that are not finished yet. For instance Spain is interested to export its renewable electricity to France, but France has a lot of nuclear power and isn't that much interested. But I think the Commission and Spain will persuade France to build it in the end. Also what is happening in Slovakia with this Hungarian interconnector: it is somehow advancing, it could have been quicker, but it is going on.

- *And the question whether this ACER will have more competences when it comes to the regulatory policies?*

I would say that it is going in the right direction, but also it could have been quicker.

- *You think they will in the end get these competences?*

I think so yes, that there will be a shift of national competences to the EU level.

- *And when will this happen?*

That is difficult to say. I don't know.

- *That has to be discussed in the Council then?*

Yes the Commission proposed something, but some member states were not that happy, so there might be an agreement on the smallest common denominator and then the Commission will come up again with something. So I would not say that this is a one-battle war. You have several successive battles in this.

- *So it is still uncertain then?*

Yes, the same as for the European Integration as such. There are 5 scenario's on the table. Which is the one that will prevail? Do we want more integration or to focus on areas that make sense and to do less in other areas. So it is quite open for the moment.

- *Is it true that I can conclude that from these 3 goals of the Energy Union, that sustainability and these market issues are still in uncertain water while the…*

No I would not say that, but in this region, security of supply and energy prizes are the most important issues. But that doesn't mean that the Commission doesn't act on the other dimensions. The package that we just presented in November, it deals with sustainability and with market design. So, on the level of the EU, we try to tackle all dimensions. But in this region there is a preference for security and energy prices.

- *But is this dimension the most successful so far? Of the three?*

I would say that the Commission in the area of gas already presented its proposals, it was the first package, so yes, in terms of timing it was the first one. But I don't think that these one or two years will make a difference.

- *Then I have some questions about energy dependency. Do you think that Europe is really still dependent on Russian gas or is there also dependence from Russia to get money for their state budget?*

Well the security is improved a lot. Take Slovakia for example. Regarding physical supply it can cover all its supplies from Austria and the Czech Republic, because there is reverse flow on both pipelines. Slovakia would be losing a lot of money if transit is stopped from Ukraine. There are several business ideas on how to use the Slovak pipeline systems, for instance to bring gas to Ukraine if Russia will stop supplying Ukraine. Or the Eastring pipeline, how to connect with southern Europe [the Balkan

countries]. But if the transit is cut via Ukraine and there are no alternative solutions, Slovakia would be losing around 800 million euros a year.

- *But that will probably also happen when North Stream II will be activated, right?*

The thing is that with North Stream II there are certain conditions that some member states would like to attach to the project. One of them is that transit via Ukraine will continue. In sufficient numbers because you need certain amounts of gas supplied by this system in order to be viable. I don't know how they would like to arrange this, because the commercial purpose of North Stream II, from the side of gas price certainly, was to get rid of the Ukrainian branch and just to use North Stream and the pipeline going via Belarus to bring all the gas to the EU.

- *But that will mean that Germany gets the transit problems, and Poland maybe?*

Yeah maybe.

- *Maybe you already answered the next question a little, but how did Slovakia react to the more transparency on the gas contracts?*

Slovakia was not making obstacles.

- *And the other V4 countries?*

I think that there was no major issue on this.

- *It were mostly other member states that were against this?*

No no no, I would say everybody agreed. It went smoothly.

- *But buying gas as a group, that is not realistic, that idea?*

When we were discussing this in the Commission, I was at DG Energy at that time, when the idea was first proposed, it was somehow not very clear how to build this monop-zone, on the side of the buyer. But there are also some disadvantages, for instance if there is one single price, probably it is not the lowest price in the EU. There are some countries that will get a higher price than now, so these countries will be against. Then also, how to force member states to join such a cartel or monop-zone, there you have no legal tools how to do it. That's why if some member states would like to do it voluntary I think they can still do it. But we were not in favour of having this because we have not seen any practical solution of how this can be implemented.

- *It will probably mean more integration before you can do this, right? It will be like a Euratom kind of idea then.*

I wouldn't say there is any need for a special treaty, because Euratom is a special treaty. Everything that is linked to nuclear energy is linked to another treaty then all the rest. So I don't see an appetite to do it for gas, certainly not.

- *So that's the reason why it probably cannot be installed.*

On voluntary basis member states can still do it. For instance if the Baltic states decide that they would like to purchase state gas together I think they can still do it. But they can't force Germany or the Netherlands, that have lower prices, to join them.

- *Does the Commission feel that the Visegrad countries form one strong group when it comes to all these issues?*

No Poland is a separate case, because they have this coal problem. They tried to convince the Visegrad countries to back them, but they do not necessarily have the same interests. Regarding greenhouse gas emissions, they don't have any problems with power generation, while Poland has huge problems with power generation. So I would say the starting positions are different. And also they are the strongest opponents of an ambitious climate policy, because of their coal, which is not the case for other Visegrad countries. Their position is less ambitious when it comes to all innovative things, but Poland I would say is a hardliner while the other member states are somehow a bit reluctant, but not completely blocking.

- *And is maybe only the security part something that the Visegrad countries do share one vision?*

They share a bit, but also they have different commercial interests regarding this. Hungary wants to build a new nuclear power plant with the help of Russians and the Czechs will benefit from Nord Stream II.

- *So it is not even Czech Republic, Slovakia and Hungary versus Poland, but it is actually all four that have their own opinion?*

Yes, well there are some issues that they can find common ground, but not on everything.

- *Which issues do they have a common ground?*

For instance this increase of targets, they were against. Also in the cohesion policy, which is helping energy efficiency and renewables, for the post 2020 period there is already a difficult negotiation and they would like to have more grants instead of financial instruments, which is the idea of the Commission. So on particular things they can find agreement.

- *And how were the other Visegrad countries reacting to these ideas about the gas security as Tusk proposed them?*

I don't know. For us it was a marginal issue, so we don't follow it that close.

- *So there was never during the agenda setting phase of the Energy Union one V4 block coming to Brussels?*

No I don't think so.

- *You mentioned that you had these conversations with companies about the Energy Union and this was during the agenda setting phase? Or before the first proposals were made?*

Yes.

- *And only with companies or also with the state?*

Yes with the Ministry of Economy, yes.

- *Okay. And there was no cooperation between them and the other V4 countries?*

There was cooperation. They had a Visegrad working group, they had a Visegrad summit, so there is cooperation. But I'm not always fully aware of everything that is happening there.

- *Do you think that there are any differences in the way that the Commission sees energy dependency and energy security and how Slovakia sees this?*

There is a strong preference for electricity production on the own territory. This is something, not just for Slovakia but for all member states, and it applies to renewables support schemes. In the EU legislation right now there is a provision that you can cooperate with another member states and to have joint schemes, common schemes, to support renewables. But I think it was just used once. So from our perspective, electricity should be produced where it makes most sense and transported to other member states, in order that everybody can benefit from the lowest prices. But apparently the national perspective is that they should also promote local jobs, local economy. So this I would say is a difference. And they also argue that if you give powers to a super national body, regional or European, responsibility should go hand in hand. This, at least Slovaks are telling me, is not always the case. So if there is an emergency, the government will be held responsible, despite the fact that there is a regional body that should help citizens. That's what member states are telling.

- *And is it for Slovakia useful to have a Slovak commissioner? Working on these subjects?*

I think so, yes. He is quite popular here among stakeholders.

- *And how does he feel about the nuclear energy? Is he in favour of it?*

He has no strong views, but he does not exclude the use of nuclear energy.

- *He is a real diplomat.*

He is a diplomat, yes. Ha ha, that's true.

- *I had the idea that after Tusk had this article, that the ball started rolling.*

That is all started after Tusk? No that's not true, that it all started after Tusk. It started with the four main causes that I mentioned earlier. Tusk certainly provided some ideas but it was not the real starting point.

- *But the public debate might have been given an extra boost, also after the annexation of Crimea, that people were suddenly more aware of the energy dependence and with the crisis of 2009 in their heads, this maybe gave an extra boost to the Energy Union?*

I would say so, the people, here at least in the region, understood that there is something that should be done to increase their security.

- *That would mean that it is quite ironic that Tusk had this idea, and in reality a big part of it is also about sustainability, while he is actually not in favour of this.*

Yes, ha ha, sometimes that happens. But that is why I am telling you that is was not based on his original idea.

- *And there is no one specific cause that you can mention, that started the Energy Union?*

No I would not say that there was one particular cause, but there were these 4 elements that somehow played together.

Attachtment 3

Questionnaire: 20 questions on the views of the Czech Republic on the energy security pillar of the Energy Union

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Current state of the Energy Union

1. Does the Czech Republic feel that the 3 main goals of the Energy Union, security, sustainability and market reform are in balance?

Generally yes, obviously CZ perceives that there is a strong emphasis on environmental sustainability, sometimes to the prejudice to the other goals. For instance capacity remuneration mechanisms are market reform tools, however they are coupled with emission threshold. CZ understands the reasoning behind this, however it is more reasonable not to distort specific market design tool by adding multiple purposes of this tool.

2. Do they all get the same amount of improvements in the different packages that are proposed?

Generally yes, overall the EC is doing a good job addressing the current and foreseen issues with legislative package, some details are obviously for the discussion and CZ generally thinks that the speed and the complexity of the packages is too high to be absorbed correctly. But generally CZ thinks that EC is trying to address all the dimensions.

3. Which goal should have the most priority, according to Czech preferences?

CZ acknowledges that three main goals should receive the same "attention". CZ has exactly the same goal in the State Energy Policy, which is the main strategic document for CZ energy sector and related sectors. Obviously, it is important to perceive that these three goals are to a large extend affecting each other – improvement in one goal is generally connected with a worse outcome in a different goal. What this means is that you cannot fulfill simultaneously all the three main goals, because improvement in one area means to a large extend a worse situation in the other area. For example environmental sustainability is directly reachable with current technologies, but it is not affordable, different example is that CZ could fairly easily decrease its energy dependency by using more of its coal, but this will contradict sustainability.

Even though, all three goals should be "treated" equally – basic level of energy security is a basic prerequisite to the fulfillment of other strategic goals.

4. Is the Czech Republic satisfied with the improvements of energy security? And are these thanks to the Energy Union, or were they already installed earlier? By Czech/Visegrad initiative or EU initiative?

Number of measures were activated as a result of gas crises – reverse flows, infrastructural enhancement etc. CZ is now generally on the very good level in terms on natural gas security. Nevertheless, CZ thinks that continuous effort through the Energy Union framework is still needed – for instance higher transparency and IGA changes are generally steps in good direction. However, the EU member states should have enough time to "digest" the proposed changes and enough flexibility to implement them.

5. Member states have officially still full control over their energy mix. Does that mean that the sustainability part of the Energy Union will be merely a suggestion which member states can set aside if they think their energy security is in danger?

To a large extend yes, it is based on solidarity. It is thus welcomed that the EC is trying to harmonize the rules and codified the solidarity principle, even though it is obviously not an easy job and a number of member states have different ideas about the particular details of this principle.

Creation of the Energy Union

6. The first ideas of an energy union came from Poland, Jerzy Buzek and later Donald Tusk and later even the government came with a paper. Did the Czech Republic support Poland in their effort to create an Energy Union that was mainly focused on energy security, while solving sustainable issues in a different way than the EU proposes?

CZ has always perceived that the three main strategic goals should go hand in hand. Not only energy security and environmental sustainability, but also affordability. CZ did not support the Energy union solely based on the energy security like the Polish proposals and always perceived its added value through a holistic approach.

7. Did the Czech Republic give input to the forming of the 3 goals / 5 dimensions of the Energy Union?

CZ is active on numerous platforms for instance within the TTE council and so forth. So there definitely was an input from CZ. Also it has to be emphasized that 3 goals and to a large extend 5 dimensions are obvious choices that are imbedded in the European and national policies.

8. Are there differences between the input the Czech Republic provided and the current form of the Energy Union?

It is difficult to answer, CZ did not provide one overarching input. It is more or less a continuous process of inputs to a different kind of proposals in of a different level of details.

Energy dependency

9. Is the Czech Republic really dependent on Russian Gas? Or is there a interdependent relationship? Are there dependencies in regards to coal or oil?

Of course there is a mutual dependence and a seller buyer relationship. The Czech Republic is largely dependent on Russian gas, but there is diversification of routes in place and since the destination clauses were pretty much revoked, there are multiple options to buy the gas on the spot market. Nevertheless, this gas is physically Russian.

In hard coal and oil it is fairly usual international market environment, it is not possible to talk about regional markets as such and we can import from alternative sources. But we don't need to import much coal.

10. The idea of buying gas on European level, like Tusk proposed in 2014, is that realistic?

The gas will be still bought by the companies, so it is questionable what means to "buy gas on European level". Nevertheless, since the destination clauses are effectively revoked, it does not matter to which European country the gas is physically shipped and it is effectively "European gas".

11. How does the Czech Republic feel about the bigger transparency in gas contracts and that the Commission will be able to ex ante have a look at intergovernmental agreements and commercial contracts?

CZ welcomes bigger transparency of gas contracts and thinks that the ex-ante "checking" of IGAs is generally a step in the right direction. Obviously, the devil is in the detail, CZ also had some concerns and it was important that the transparency is not negatively influencing company strategies and business models. CZ is generally satisfied with the compromised wording of the SoS proposal.

12a. Is nuclear energy a good alternative to create more energy independence? The fuel and technology still comes from Russia right?

Obviously there are other vendors than Russia. And yes, nuclear energy is not 100% domestic source for CZ. Nevertheless, the nuclear fuel can be stored for number of years ahead and it is significantly more compact than natural gas. Also, there are other suppliers of nuclear fuel possible. With regards

to technology, it is not something that is shipped by pipe, it stays there and CZ has a decade long experience of operating Russian VVER technologies. So we think that nuclear is relatively better in terms of energy dependence compared to natural gas, however it is obviously not a domestic source.

13. Is there difference on how the Commission/ Šefčovič see Nuclear as a good alternative and the Czech Republic does?

The Commission is very conservative on new nuclear sources and it emphasizes the security of current sources, fuel cycle and decommissioning. New nuclear sources are not given a priority. Even in R&D it is visible that the emphasis is placed on current fleet and not on new technologies like the IV generation reactors. It can be problematic in the future, the IEA is loudly mentioning that deep decarbonisation is not achievable in a given time without more use of nuclear energy, also given the expected wave of decommissioning.

V4 cooperation

14. On which issues regarding the Energy Union is there a clear agreement/similar point of views among the Visegrad countries?

This is not easy to answer, it cannot be said that V4 countries have a clear agreement in some overall topic or whole dimension of the Energy union for instance energy security. Currently V4 is a platform, where agreement on the particular legislation topics and wordings are seeked and if this agreement is found, a non-paper or a common view is presented, so it is a fairly pragmatic way on the concrete level of legislation proposal. From the “clean energy package” it can be said that there is fairly broad agreement in position to the Governance proposal, but again there is just a common positon in some articles while on the other hand there are differences in other parts.

15. Do the Visegrad countries cooperate on these issues? Do they try to impact the proposals discussed in the Council?

Yes, V4 is a platform of cooperation that tries to seek common position and if there is, it is presented as a common paper. However, it cannot be said that V4 in energy has some unique status, it is a regular cooperation platform whose impact at the EU level varies with respective topics.

16. On which issues are there differences?

See answer to the question 14.

Regional energy integration

17. I understood that the idea of commissioner Šefčovič is to develop regional clusters/couple regional electricity markets to each other. And unite them later. The Czech Republic should form one with Visegrad, Romania and maybe Bulgaria. Is this the case? And how is this coupling going?

In a day-ahead market CZ is already successfully coupled with Slovakia, Hungary and Romania on the basis of implicit auction (so called 4M market coupling). There are no significant technical problems with further integration with PCR [Price Coupling of Regions], however CZ is struggling with unscheduled flows caused by suboptimal division of regions with single price.

18. In case the infrastructure is already sufficient for market coupling, is the Energy Union still necessary for energy security?

The infrastructure is only one side of the coin, the other side is a harmonization of the rules and regulation. This is where the Energy union is still necessary. Also it is questionable if the infrastructure is sufficient enough for market coupling, in CZ probably yes, but definitely not in the European wide context.

19. How is the harmonization of regulatory policies going?

The main activities are currently electricity and gas network codes and guidelines and their implementation. One issue to mention is that while implementing the codes some new requirements were put down in "clean energy" package, this makes the implementation more difficult.

Final question

20. Are there any differences in the way the Commission sees Energy dependency/security and the Czech Republic does?

There are very concrete differences that are raised in designated working groups or platforms within legislation process, but it is not very easy to generalize them. Overall, in general terms, the energy security is perceived accordingly from the point of view of EC and CZ.

What are the most important things in regard to energy security according to the Czech Republic?

In general terms, it is obvious answer, to have enough electricity, heat and energy commodities to satisfy the needs of the citizens of CZ for economically acceptable terms, even in periods of crises of supply and with the use of available policies and tools to prevent this situation to occur.