





# HEINRICH BÖLL STIFTUNG WARSZAWA

#### **International Conference**

# **Energy Security - Polish, European and Global Perspectives**

co-organized by the Heinrich Boell Foundation, the Polish Green Network, CEE Bankwatch Network, the Polish Climate Coalition

24th of May 2011, Novotel Centrum Hotel, 94/98, Marszalkowska St., Warsaw

Anticipating the Polish EU Presidency, several NGOs based in Poland: the Heinrich Boell Foundation Office in Warsaw, the Polish Green Network, CEE Bankwatch Network and the Polish Climate Coalition organized an international conference tackling the problem of energy security from the Polish, European and global perspective.

The reason for choosing such a subject was that the EU external energy policy was proclaimed one of the main priorities of the Polish EU Presidency. Poland is aiming at strengthening the policy and thus improving the energy security of the Member States. Making this issue a flagship initiative created the need for a public debate on the causes and potential solutions to the problem, especially considering its complexity and linkage with numerous other EU policies. The questions that arose were what the Polish vision of improving the European energy security was and how to shape the foreign energy policy of the EU in such a way that it would build energy security and at the same time respect other EU policies – climate protection and development cooperation.

The conference gathered politicians and NGO leaders from all over Europe. It consisted of 3 sessions followed by a discussion and was moderated by **Rafał Motriuk**, science correspondent at the Polish Public Radio.

#### First session – The EU energy security and climate protection – how to integrate the efforts?

The first session tackled the problem of EU energy security and climate protection. The question posed by the organizers was how to integrate the efforts and what the role of the Polish EU Presidency was.

In the opening presentation **Faouzi Bensarsa**, Energy Counsellor at the European Commission, noticed that those questions were very timely, as at present the future of energy was being decided. Moreover, energy is not a simple commodity – it is a special product that needs governments and EU's attention – and the EU fully understands that. At the same time as being essential, it is also very fragile. Conflicts and wars are waged over its production and the extraction of raw materials, as well as their transmission. It is dependant on global market fluctuations and causes ecological and safety problems. And still, 1.5 to 2 milliard people live in energy poverty. Poland is a country that has always called for a common European energy policy, as it understands that a national state is too weak to stand alone in the global energy war.







Another issue is how much we are willing to pay for energy. The EU is refusing to abuse human rights to obtain it; but other countries are often inclined to do so.

A huge challenge today is the challenge of technology. The EU is the only brave region to adopt a legal obligation to change its current energy mix to a more sustainable one till 2020, but it is not the only one that is trying to take advantage of switching over to new energy sources to develop technologically. China, for example, is also working on renewable energy. If the UE wants to be the most technologically developed region in the world, it must put more effort into it.

The next panellist, Elżbieta Wróblewska, coordinator of the Protection of the Environment and New Technologies Team from the Department of Energy at the Polish Ministry of Economy, gave a brief summary of the Polish energy policy until 2030. She stated it was consistent with the energy policy of the European Union and its objectives answered the main challenges facing the Polish energy sector. She listed those challenges: growing energy consumption, a significant dependence on external supplies of crude oil and gas, inadequate generation and transmission infrastructure and, last but not least, commitments on environment and climate protection that compelled to take actions.

To face them, the Polish priorities in energy policy up to 2030 were: enhanced security of fuel and energy supplies; development of competitive fuel and energy markets; diversification of the electricity generation structure by introducing nuclear energy; improving energy efficiency; reducing environmental impact of the energy sector and development of the use of renewable energy sources (RES), including bio-fuels. She expand on them, stating that till 2030 the share of lignite and hard coal would fall significantly (coal from 45% in 2009 to 31% in 2030) and would be replaced by nuclear (6%) and renewable energy (whose share would grow from 4% to 12%). There an emphasis would be put on biofuels; a biogas installations would be built in every Polish municipality. Poland would also exploit EU funds to modernize and construct new electricity sources and to fulfil commitments on climate and environment protection, as necessary capital expenditure was enormous.

Severin Fischer from the German Institute for International and Security Affairs started his presentation by defining energy security as "a constant and uninterrupted supply with energy at an adequate and predictable price level". He listed the dangers that threatened it, such as scarcity of resources, natural or man-made supply disruptions and political or price changes. Oil was the most problematic source from an energy security perspective, due to price levels and access to resources, which lays mostly in conflict regions.

The EU has introduced several measures to secure oil and gas supplies, such as the Oil Supply Directive, Gas Security Regulation and Recovery Package. The most important ones were the far-reaching ones, such as the planned fuel switch (to sustainable biofuels, biomass or bio/natural gas, shale gas) and energy efficiency. The latter especially meant investing in public transportation and more efficient vehicles; efficiency in buildings, heating and eco-design; strengthening the Emissions Trading Scheme (ETS) to create price incentives and further market integration of combined-heat-and-power (CHP). As Fischer





stated, efficiency was the new paradigm of the 21st century. Furthermore, new infrastructure was also needed, e.g. European Super Grid and more investments in technology, as "only technological front-runners will profit".

Fischer also stressed the fact that economy and ecology went hand in hand. If we counted the ecological costs and subsidies, renewable energy was already competitive to fossil fuels. The German example shows that it is possible to change the energy system – in 10 years Germany has augmented the share of RES from 6% to 16% and this 10% is such a huge amount of energy that it would cover the needs of the Czech Republic and Slovakia combined! Moreover, RES has a positive impact on employment rates, as there are 360 000 people working in this sector in Germany only. If such a huge and energy-consuming country can change its energy system, a smaller one could do it unhesitatingly.

The last panellist, **Zbigniew Karaczun**, PhD, from the Polish Climate Coalition, also defined energy security, but he did that in a wider way than the previous speaker, stressing that an ideal, secure energy system was also secure for the environment and people, meaning that energy poverty and economical barriers did not appear, nor did human rights abuse. Such a system should be democratic and support democracy.

The EU is consuming as much as 17% of energy produced in the whole world and 50% of that is produced from imported supplies. Some EU countries are 100% dependant on gas supplies! Bearing in mind the latest gas shortages due to Russian political decisions, it is a dangerous situation. What is worse, in the plan for 2030 65% of the supplies are imported ones. Nabucco and North Stream pipes are not a satisfying solution. The only truly satisfying solution would be to base the energy system on local, renewable energy sources. That is why the EU has to work closely on that, organizing a new agency (patterned on EUROATOM agency or Apollo program), which would obtain funds for research and implementation of new technologies. Only such solidary, comprehensive and long-term policy will give us real energy security and only then shall we be able to say we are proud of being EU citizens – for now we should be ashamed, as we wage wars for oil.

After the presentations, a heated <u>discussion</u> took place. The Polish energy policy till 2030 was accused of paying inadequate attention to energy efficiency. However, **Wróblewska** replied that it was one of the Polish priorities, as 40% of possible energy savings could be achieved by improving the state of the housing sector. Right now, the improvements of thermo-modernization and renovations of buildings were being done and energy certificates were introduced and made obligatory. Wróblewska also replied to the second accusation concerning a too big share of coal and lignite in the plan. She said the Polish government was aware that lignite quarries evoked strong public resistance and thus it was hard to build any new lignite mines – but at present it was the most economic raw material. Regarding coal, its share would be lower in the total energy mix, but not soon. Probably even new investments in mines were needed, otherwise in 15 years Poland would loose its coal capacities. Nevertheless, coal would be used in a different way, e.g. it would be gasified of hydrogenated. Wróblewska also admitted that the Polish investments in RES were not







imposing, but Poland was planning to fulfil its commitments regarding CO2 emission by introducing nuclear energy. Moreover, she added that nuclear energy might be the Polish "plan B" in case today's immature CCS technology did not work as it was planned. However, she admitted that plan B was not really thought-through, as the Polish government relied on the belief CCS would work.

**Malcolm Wicks**, member of the British House of Commons, referred to the latter, noticing that the prices of energy were already too high and investing in such an expensive technology as CCS might not be the best idea. Another speaker added that coal was described as "cheap" by Wróblewska, but it was not so when you counted all of its costs, including governmental subsidies to the coal sector. Furthermore, lignite was also not so cheap once you counted the social costs of its extraction. Shale gas exploration also triggered controversy, but Bensarsa stated there were no plans to ban them in the EU.

Last but not least, the EU was charged with being "hypocritical", as it was often EU companies making money on importing oil and other energy sources from countries which abuse human rights, not to mention workers' rights. They exploit the situation to maximize income. **Bensarsa** only replied that the EU could not tell EU companies what to do abroad and propose any regulations there.

### Second session – Global dimensions of EU energy policy and its impact on developing countries

The second session discussed the global dimensions of EU energy policy and its impact on developing countries.

It was once again opened by **Faouzi Bensarsa**. He noticed that the development policy was one of pillars of the Lisbon treaty and it lay in the area of special interests of Manuel Barosso. Investing in poorer countries, in their energy security and sustainability was of value for the EU, as every euro spent would come back eventually – regardless of whether it was Africa or Greece. The EU has taken politically binding promises regarding development policy. There are many ways to fulfil them, one of them is encouraging private companies to invest in RES. The EU policy models are used in Sub-Saharan Africa and other regions, especially the sustainable solutions, sufficiency and renewables are introduced there. It works – e.g. Morocco already exports solar energy to Spain and soon it will export it to France. The EU also has a comprehensive dialogue with China and Brazil concerning bio-fuels. Still, the biggest challenge is the need of more advanced technologies.

**Nicholas Hildyard**, co-director of The Corner House from the United Kingdom described his work with communities infected by energy projects conducted by the UK government abroad. They are often carried out without any attempt to enhance human rights, resolve conflicts or achieve millennium goals. Moreover, every time any Western country pays a regime for oil, it strengthens that regime. In addition, no money from such transactions goes to regular citizens. The only things they get are ecological problems and more conflicts. In Hildyard's words, "energy security for the West has often meant insecurity for the rest".







Secondly, conflicts in distant regions directly influence European security. Hildyard depicted many conflicts around pipelines, e.g. the bombing of the Baku Ceyhan pipeline in August 2008. That seemed to be irrelevant for EU energy security, but it was not, as the EU Nabucco pipeline would depend on that particular pipeline. It was the same with the other ones, e.g. the Trans-Sahara Pipeline.

To sum up, Hildyard stated that the EU energy policy was not solidary with the inhabitants of other regions; moreover, it was not "solidary" even with the EU's own citizens, as enhancing conflicts in distant regions created direct problems for the EU.

The next speaker, **Szymon Polak**, director of the Division of Energy Policy in the Department of Economic Policy at the Polish Ministry of Foreign Affairs, talked about the Polish EU Presidency plans concerning the EU development policy. He stated it was in line with what had been decided so far, meaning the European Council three conclusions adopted on 4<sup>th</sup> of February 2011: deepening and expending the energy community by expanding the legally binding obligations onto the third countries and expanding the scope of EU law over them; introducing equal conditions of action to third countries; reinforcing cooperation with third countries and reinforcing transparency. Therefore, Poland plans: firstly, to strengthen the energy security of the EU through reviewing the previously applied policy mechanisms in the field of the EU energy external relations in the context of their evaluation and modernization. Secondly, to give an impetus to the development of the comprehensive EU external energy policy, mutually beneficial for all the stakeholders.

There will be two meetings of the Energy Council during the Polish Presidency and the following issues will be tackled: strengthening the internal market, expanding the scope of an *acquis communautaire*, strategic partnerships and coherent politics. Also, definite activities would be undertaken, such as adopting negotiation mandates for the European Commission to arrange gas supply contracts with Azerbaijan and Turkmenistan and to discuss the future status of Kaliningrad Oblast and its connection to the EU electric system. Moreover, regional cooperation would be strengthened to deepen and expand the Energy Community.

Polak also described the goals and future activities of the Energy Community (e.g. integration of the market and common law) and the planned monitoring of the effects.

The last speaker, **Sergey Solyanik** from Crude Accountability in Kazakhstan, depicted briefly the situation in Turkmenistan. It is one of the most repressive countries in the world, especially toward journalists and civil society, and one of the most corrupted too. He described it as overwhelmed by imitations: imitations of democratic reforms, an imitation of freedom, an imitation of education... The harsh situation in the country and a lack of perspectives thrust people, especially young ones, into radicalisms, often Muslim ones. That makes the region even more unstable. And yet, Western countries turn a blind eye and make deals with Turkmenistan's oligarchic government, which "creates a cynicism and hostility toward the West that contributes to instability, rather than the <energy security> so many Western institutions claim to be seeking".







The latter remark concerns the EU as well, as that institution conducts business there connected to the Nabucco pipeline. Barosso is a frequent guest in Ashgabad. Thus, the question that arises is how will the citizens of Turkmenistan profit from Nabucco? The answer is distressing – they will not participate in the income, as it will fill the purse of the regime only. It will strengthen it and allow a further militarization of Turkmenistan. The region is too militarized and conflicted already (only to mention the latest Russia-Georgia clash), so further EU involvement makes it only more volatile and dangerous. Some countries from there are already on the brink of a war, including civil ones. Hence, EU businesses there are not in the interest of Turkmenistan citizens, neither EU ones. To sum up, Nabucco is an expensive geopolitical toy and a part of neocolonial plan. It would be much safer for all sides to invest in local renewable energy, efficiency and new technologies.

Solyanik's speech created a <u>discussion</u>. Bensarsa said that decisions on cooperation with third countries are made by country representatives, not the European Commission. The Commission, on the other hand, is very much involved in the issues of strengthening human rights and resolving conflicts – they can be found in its documents, such as the Green Paper. However, Hiliad replied that the documents are very different from the actual actions and the latter are the ones that count.

Bensarsa also stated that in his opinion a frank dialogue is better than isolation, and the EU is openly criticizing its partners when they abuse human rights. Solyanik opposed that, as the EU-Turkmenistan talks are not frank, Turkmenistan civil society representatives are never involved and there are no clear signals against the abuses. The EU is not bringing its high standards to the region.

Representatives from Ukrainian and Serbian NGOs joined Solyanik's side, as they confirmed that in their countries the EU was conducting its energy businesses without thinking of the interest of the local people. Ukrainians will soon buy leftovers of their own energy, as the EU companies will win the best, direct contracts and they will also be left with the old nuclear power plants still working. Also Balkan NGOs agree that the EU actions are targeted to secure energy for the EU, no matter of the cost. Local people can suffer from ecological problems and high prices of energy. Hence, the EU should pay for all external costs. Only then will they know how much the energy they consume costs and they will be fair to the others.

Anders Lustgarten of the Bretton Woods Project stated that energy security is a conservative term, as it stresses that we, the EU citizens, are victims, that our safety is at risk – but that is not true. We are the aggressors, we take too much energy from around the world. The solution is to change our consumption model, so we would not use so much energy. It means changing our whole way of living. Lately, we were concentrated only on building a market, and countries and societies become weak. Now it is time to build a society, to enhance solidarity – solidarity between people, not companies. This is the most inspiring thing about the EU – that the EU is based on cooperation, talking, not fighting.

That remark was greeted with applause, however Bensarsa added, that although energy efficiency is one of the pillars of the EU energy policy, we should not forget about the other ones.







## Third session – The common energy policy of the EU and interests of the Member States

The last session on the common energy policy of the EU and interests of the Member States was opened by **Hon Malcolm Wicks**, member of the House of Commons of the United Kingdom from the Labour Party.

He started by stating that he was surprised that the conference gathered so many enthusiasts of different solutions – namely different energy sources: the nuclear one, the renewable one... In his opinion, much depends on one stands point – the situation in different countries alter, e.g. the UK was for a long time nearly independent energetically, oppositely to Poland, which depends on a large scale on Russia. Thus, the member states today have different interests.

In his opinion the climate change is the biggest challenge of our time, but politics tend to avoid that subject. It must be fight with respect to social justice. Yet, even today many people in the EU suffer cold in winter, as they have no money for heating when energy is more and more expensive. In addition, the EU energy security depends on conflict regions. It must be changed – and he believes the most important way to do is energy efficiency, based on careful planning. For example, public transportation should be the leading one; rooms should be enlightened by natural light etc. The energy we do not use is the most secure, cheap and clean one – it is a win win situation.

Regarding different energy sources, he thinks renewable ones are essential. Nuclear ones are discussible – but a decision concerning using them should be taken by the citizens of the certain country. The UK went for it, as nuclear energy is clean and home-made. For the reason that the world is and will be using a lot of fossil fuels, Wicks believes we should invest in CCS technologies as well.

Rainder Steenblock, member of the board of the Netzwerk Europäische Bewegung Deutschland, Alliance 90/The Greens, depicted his involvement, when he was a minister, in developing first wind mill farms in Germany. He was also protesting against nuclear energy. In that time, people used to say that renewable energy might have a 3% share in an energy mix in many years. How surprised they would be if they learned that in 2011 RES has 17% share and, in addition, nuclear power plants are being closed, because they are too expensive and dangerous. The money spend on nuclear energy is the wasted money in Steenblock's opinion – we should spend it to plan special strategies for RES, as they are the cheapest and the safest energy sources (today even twice cheaper than nuclear ones). Europe has a responsibility to be a model for the world regarding RES. We should also develop our efficiency. If we were more efficient, we could produce all energy from RES. Steenblock also shared his opinion that he believes we would achieve 2030 goals – if we invest our money wisely.

The following speaker, **Grzegorz Wiśniewski**, chairman of the Institute for Renewable Energy in Poland, agreed with him. He said it was sad about Poland that there were always promises we would produce energy from RES, but they were never fulfilled. Polish governments speak the EU language while talking







about energy solutions, but never act in the EU way. There is no sustainability.

A German example should be crucial for Poland, as these countries have similar size and geopolitical position – and in addition, Germany has a lot of forward ideas. Secondly, the USA should serve as example, because people there often produce their own energy. Poles could do it as well without waiting for the government to act.

If speaking about fossil fuels, they have very strong lobby, especially because there is less and less of them. However, we have huge, never-ending resources of another energy sources – renewable ones. Thus, the EU should spend more money on developing RES and there should be tax instruments to support them.

The last speaker, **Dariusz Szwed**, co-chair of the Polish Green Party, posed a question on how you built global energy security, global solidarity and global social justice at once.

He joked that as he was replacing the Polish MP from the ruling party at the debate, whose role was actually to heat it up, he would pretend to be him for a while, to evoke a discussion. Hence, according to that MP, Polish priority should be and will be coal, nuclear energy and shale gas. They are not consisted with the EU policy, so we must fight the EU.

Being serious again, Szwed stated that Polish today decisions on its energy system will design it for the next 50 years. What is more, they are all connected, e.g. whether we invest in roads or trains will have impact on energy and environment policies. Today we often invest the EU funds in the unsustainable projects – that should not be possible, we need a reform of the EU funds regulations. Szwed believes Polish energy system should be based on effectiveness, intelligence and renewables.

Next, he went back to the opening question. He stated that right now there is a global "war" between the centralized system of companies selling energy and democratic system of prosumers (not consumers), who consume and produce energy at the same time. Thus, prosumers are participants of the energy system. That "war" is not only about energy, it is about democracy. Thus, we must establish a lobby, a counter-lobby to nuclear business and the alike. We should paint the world green, build a modern system. Old times lobby is strong, but society does no support it, e.g. it says no to nuclear energy. Furthermore, no EU policy should be implemented without the EU citizens support. Lately we got a new tool, the Europeans Citizens Initiative. Therefore, we can become creators and even force the European Commission to bring forward proposals for legal acts. We need a strong language of values, of global solidarity. Times are hard for people. Global climate protection is our business, it is people business. The question is will we be strong and thinking, or will we believe lobbies? Szwed shares his hope that because of such debates, we would all become wiser and stronger.

The last <u>discussion</u> was a vivid one. **Solyanik** asked representatives of the Green parties whether they support the Nabucco project.

Steenblock answered he was in favour, as it was necessary, because the EU needed a pipeline that would







not go through Russia nor the region influenced by Russia. For him, it is a project against monopole. Still, the biggest challenge is how to strengthen human rights in the region and that is the task of the EU neighbour policy.

**Szwed** was more hesitant. He said that till 2050, a year we should have the energy system based only on RES and low energy consumption, we require some bridging strategies and Nabucco is one of them. Thus, he is in favour as well. Nevertheless, surely breaking human rights in Russia and its neighbours should not be the cost of the EU energy security. Thus, it is a challenge how to secure human rights and energy security at once. For example, all Green parties support RES, because they do it – in opposition to uranium and gas from Russia and Caucasus, as buying them finance wars there.

**Piotr Trzaskowski** from Bankwatch added that there is a lot of money from European Investment Bank spent on Nabucco project and a little on energy efficiency. That should be a test case on what are the EU priorities – and the money should be redirected to energy efficiency projects.

**Wicks** opposed that, stating that if we had not have Nabucco pipeline, we would keep *status quo* where Russia, China and Iran are happy to buy all gas from Turkmenistan. That would not bring any changes for Turkmenistan – and there is a chance that the EU involvement will.

Nonetheless, **Szwed** said that the point was different – if we put priority on efficiency, Nabucco will not be needed.

To sum up, **Steenblock** said that history teaches us that economic cooperation brings social and cultural changes. However, he understands that that might not be the case in Turkmenistan and Solyanik's concerns may be right. For Steenblock, similar situation is with nuclear energy, in which there are too many useless investments – lately even Siemens decided not to invest in it any more. Also Finland regrets it went for nuclear energy years ago.

**Steenblock** was also asked if there was a Red and Green coalition in Germany, would it try to establish the common anti-nuclear EU policy. He answered that no, as the decision on the energy sources should be made by certain countries, not the EU. However, they will try to support RES.

**Wicks** answering the question about his support for the nuclear energy said that he believed there must be a mix of energy sources and some people are too involved in anti-nuclear fight rather than in the one against climate changes. This statement was later opposed.

There was also a discussion about RES in Poland. The opinion was presented that there is not enough wind and sun in Poland and thus Poland should invest in biomass. **Wróblewska** said there is also not enough water resources, hence RES are "a rose with spines".

This statement was strongly opposed by **Szwed**. The reason was that three days ago he was talking to another representative of the ministry and when he stated there is not enough water in Poland to explore shale gas, that person said there is a lot of water and that Eurostat statistics on water are wrong. And today the ministry claims there is no water! Because of such behaviour, people in Poland feel cheated by the







government. Szwed shared his wish that at least one ministry in Poland would defend common sense, not the interest of different energy corporations.

**Wiśniewski** added he is pessimistic about Polish energy policy, because in Poland nobody is responsible for the future. We have weak researches, weak staff, week strategic planning. He said he was fond of Wróblewska but she spoke about problems a lot – and the government should give solutions! For example, in Germany additional energy from wind mills will be stored in electric cars. In Denmark, the water will be heated by it. In Poland we do not think this way.

Another speaker opposed it slightly, stating that we cannot copy and paste solution from other countries. Regarding RES, we should always have many resources, otherwise the system is not stable – we need a mix of resources.

<u>Final remarks</u> were made by Hlobil and Karaczun. The first speaker, **Petr Hlobil** from CEE Bankwatch Network, stated that he would not even try to summarise such a rich conference – he would only recall some memories. He remembers a certain situation from Azerbaijan. Years ago he saw there women from refuges camps resting on the pipeline after collecting wood in the forest, wood that was used to warm up their homes in the camp. The pipeline was making millions of dollars. Yet, no money was transferred to this women, nor the energy. All of it was spend on militarization. Nevertheless, we used and use such energy. And the refuge camp is still there – Hlobil lately checked it.

He called to concentrate on the one thing we agree on – energy efficiency. He understands it is not easy, as it is not "sexy" subject, but complicated and it requires a lot of thinking and careful planning. In addition, it cannot be done centrally, as you have to do in every house, every office separately. Yet, we should demonstrate solidarity and do it. He also said people in the Czech Republic were so interested in becoming more energy efficient that public funds to support it dried out immediately. Hence, he believes we should create more EU funds for it. Moreover, Czech Republic politics concentrated on efficiency was a success, as there is no problem with the lack of energy now. Furthermore, people will be happy to become efficient – to have new windows that will keep their homes warm in the winter, solar panels on the roof that will heat up their water for free etc. Only dictators will be sad about it, but Hlobil joked he was not concerned about their mood.

**Karaczun** added that he is afraid that Polish EU Presidency will be all about such projects as Nabucco if there is no strong voice from the other countries and NGOs. That would make the EU and Poland even more dependant, and we should become more diverse, more ethical and ecological. **Motriuk** added that people and planet deserve fair life and he believes gaining knowledge, such as at the conference, is a step forward it.



Partner of the conference: Web portal ChronmyKlimat.pl

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