

## FOREWORD

*by Jacques Delors and Enrico Letta*

Since 2008, national and European leaders have been dealing with crisis management on a daily basis. Their efforts have resulted in the Eurozone and the Schengen area being saved and strengthened. Yet our Union must also continue with its long-term objectives and promote positive messages, opening up new frontiers for European integration. We must work towards building a desirable future for all Europeans. As we often say, while Europe needs fire-fighters, it also needs architects.

If there is one project today which carries a positive vision for Europe, it is definitely the energy transition. Energy is the foundation of our nations' power and is a key element in our daily lives: to transport people, to heat buildings, to power our televisions, phones and computers. By shaping our energy model, we are shaping the future of our societies. If Europe's architects are preparing a democratic, innovative, economically viable and socially fair Energy Union, it will contribute to a Europe that serves its citizens and paves the way for the rest of the world. If we fail in this project, the architects will have to give way to the firefighters, who will exhaust themselves putting out the fires caused by our past mistakes: climate refugees, dependence on Russia and Saudi Arabia, worsened energy poverty, the bankruptcy of energy suppliers who failed to adapt their strategy.

The Energy Union, which we have been championing since 2010<sup>1</sup> and which is currently fully supported by President Juncker, is an ambitious project which can already be bolstered by the successes achieved by the European Union. In

<sup>1</sup> Delors Jacques, Buzek Jerzy, "Towards a new European Energy Community", Tribune, Jacques Delors Institute, 9 May 2010; Andoura Sami, Hancher Leigh, Van der Woude Marc, "Towards a European Energy Community: a policy proposal", Studies & Reports No.67, Jacques Delors Institute, March 2010; Andoura Sami, Vinois Jean-Arnold, "From the European Energy Community to the Energy Union", Studies & Reports No.107, Jacques Delors Institute, January 2015

2007, we set ourselves three target figures to be reached by 2020. Out of these three objectives, the reduction in greenhouse gas emissions and the improvement of energy efficiency have already been achieved, and the target of developing renewable energy sources is within reach.

More substantially, Europe's strength in the energy transition lies in the drive of millions of citizens, consumers, local elected representatives, researchers, innovators, entrepreneurs and workers, who make the energy transition a reality. Our mayors are also fully aware of the potential of this transition to reduce air pollution, traffic problems and to stamp out energy poverty. Our wind power and energy efficiency companies are already the world leaders. We are already designing and manufacturing the clean energy solutions of today and tomorrow.

Europe has all the assets to succeed in its energy transition. We are the first in the world to have launched it and have paved the way for other global powers, such as China, to commit through the Paris Agreement. The USA's withdrawal from this Agreement further strengthens European leadership and enables us to attract innovators and investors who understand the opportunity created by the energy transition.

We have made great strides forward but there is still a great amount of potential. We must now leverage, increase and achieve it, to serve a long-term positive vision. Such vision was clearly defined by the European Commission in its Communication dated 25 February 2015 and confirmed at the highest level, by the commitment of all EU member states to the Paris Agreement. This positive vision of our energy future has received widespread acclaim from citizens who support the fight against climate change by means of a European energy policy based on energy solidarity, energy efficiency, and renewables.

This report clearly sets out four objectives which could contribute to the success of the Energy Union, and in turn restore trust between Europe and Europeans. Firstly, democracy must be at the heart of the Energy Union's governance. This involves mechanisms for more direct participation of citizens, local elected representatives and civil society in the major choices which shape national and European energy strategies. Secondly, Europe must implement a genuine innovation-driven industrial policy to make our companies the world

leaders in clean energy. Thirdly, public and private investment arbitrations must fully integrate the energy transition's objectives. Fourthly, the Energy Union must serve a just and fair energy transition via a "Social Pact for the Energy Transition" which strives to create jobs for our young people and stamp out energy poverty.

The European Union is currently facing wide-ranging challenges: centrifugal forces, nationalism, dependence on foreign powers, high unemployment rates and Euroscepticism. In various areas (Eurozone, defence), a new drive will require heightened cooperation between a group of member states. Against this backdrop, the Union is in particular need of projects in which all 27 member states make progress together, on issues such as energy and climate. The Energy Union's success will thereby be a masterful demonstration of what a united Europe can do for Europeans.

We will be able to show that competition stimulates economic and social progress through an innovation-driven industrial policy. We will be able to show that European cooperation makes us stronger through a genuinely democratic Energy Union that provides real achievements. We will be able to show that European solidarity unifies through a "Social Pact for the Energy Transition".

The European Commission has done its part of the work by submitting ambitious proposals that must now be improved on. We would like our national and European leaders to be aware of the strategic importance of the Energy Union for our Europe, our nations and our way of life. We must take the decisions that render the common aspirations of European citizens tangible: a European energy policy for all 27 member states, based on energy efficiency and renewables, able to provide clean, secure and affordable energy to all Europeans. A lack of progress in achieving the Energy Union would cost citizens dearly and be detrimental to our ideal of a Europe which is democratic, prosperous, social and united in diversity.

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