



Energy policy and the new Parliament

Group dynamics

The European Parliament elections resulted in a clear victory for the centre-right parties, and the European People's Party (EPP) Group's continuing dominance of the Parliament will mean continuity for the EU's energy policy.

Despite a poor set of results for the centre-left, the Socialists and Democrats Group (PASD) remains the second largest Group in the European Parliament – and will continue to play an important role in safeguarding the public service element of energy policies (as was the case on the third energy liberalisation package, negotiations on which were led by outgoing British Labour MEP Eluned Morgan).

The Greens, who achieved record results in several European countries, will aim to build alliances with Liberals and left-wing parties to ensure that the energy security agenda does not always prevail over sustainability issues.

However, these parties do not have a majority in the Parliament – so it will have to fight hard and/or compromise with 'greener' elements on the political right. It remains to be seen how the EPP Group will act and what its party line will be on climate issues; in the last parliament the Group faced difficulties when its MEPs were split on Emissions Trading Scheme (ETS) provisions.

The new Conservatives and Reformists Group (ECR), as the fourth largest political Group, could shake up the old alliances. The new Group is likely to support measures to boost growth and competitiveness while rejecting pan-European projects linked to energy funding and infrastructure investments (such as pipelines) – the latter being more likely to be favoured by the more Christian Democrat elements of the EPP (such as German and Italian MEPs). The influence of the ECR could depend on the level of cohesion in the Group between British Conservative members (almost half of the Group's MEPs) and its allies in order to ensure that the Group is not isolated by the three largest Groups.

Political and legislative challenges for the Parliament

It is clear that the new Parliament will have the opportunity to re-think some challenges regarding energy supply and to respond to the requirements of global climate change policy. In the short-term, energy efficiency will be an area where MEPs will want to make their mark. They are likely to enter quickly into negotiations with the Swedish Presidency on energy labelling for appliances and tyre labelling, as well as a recast Directive on the energy performance of buildings. The eco-label

regulation was subject to a political agreement, but is waiting for the other parts of the legislative package (eco-design) to catch up before being submitted for formal Council approval as a package (the other component of the package is EMAS on which there is, as for Ecolabel, political agreement already). The likely earliest date for formal approval is December under the Swedish presidency.

Furthermore, MEPs will have an early opportunity to contribute to a long-term energy strategy as the Commission is due to propose a new energy policy for Europe in early 2010. This paper will outline a policy agenda for 2030 and beyond and should have a special focus on low-carbon energy technologies.

Much of the previous legislature was spent refining the rules for the internal energy market, as well as adopting climate policies up to 2020. After the passage of the third liberalisation package and the climate change package, policies on renewable energies and energy market will move on to implementation phase. Any further initiatives in the Parliament will probably depend on the progress (or lack thereof) that member states make with implementation of the previous packages. In the face of rising global energy demand, the next legislative period should also see MEPs examining new proposals on security of supply for gas and a new infrastructure funding mechanism. MEPs will also be called upon to examine a range of specific measures needed to implement the Commission's Action Plan for energy security and solidarity (such as the take-up of liquefied natural gas, or LNG).

One thing is very certain. There will be very strong emphasis on all low-carbon energy technologies. Any and every technology that can reduce our carbon footprint can expect its day in the sun.

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