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ENERGY COOPERATION MECHANISMS AND POLICIES IN THE EUROPEAN UNION AND THE NEIGHBOURHOOD

- Summary -

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TABLE OF CONTENTS

LIST OF FIGURES 4

LIST OF TABLES 5

ANNEXES 6

ABBREVIATIONS 7

1. INTRODUCTION 10

1. THEORETICAL AND POLITICAL FRAMEWORK 11

2. GENERAL METHODOLOGICAL CONSIDERATIONS 15

3. THE STRUCTURE OF THE THESIS 16

2. REGIONAL COOPERATION - A THEORETICAL PERSPECTIVE 18

1. REGIONAL COOPERATION - THEORETICAL FRAMEWORK 20

1.1. REGION, REGIONALISM AND REGIONALIZATION 20

1.2. REGIONALISM IN A HISTORICAL PERSPECTIVE 21

1.3. THE ACTORS IN REGIONALISM 25

1.4. VECTORS OF REGIONALISM 27

2. DESIGNING NATIONAL INTEREST AT THE LEVEL OF REGIONAL COOPERATION PLATFORMS 29

3. REGIONAL COOPERATION IN THE FIELD OF ENERGY (I) 33

1. THE TRANSEUROPEAN ENERGY NETWORK - THE BACKGROUND OF EUROPEAN ENERGY POLICY AND ENERGY COOPERATION 33

1.1. TRANS-EUROPEAN ENERGY NETWORKS OF ENERGY (TEN-E). FIRST GENERATION (1996-1999) 36

1.2. TRANS-EUROPEAN ENERGY NETWORKS OF ENERGY (TEN-E). THE SECOND GENERATION (2003) 48

1.3. TRANS-EUROPEAN ENERGY NETWORKS OF ENERGY (TEN-E). THE THIRD GENERATION OF TEN-E (2006) 50

1.4. TRANS-EUROPEAN ENERGY NETWORKS OF ENERGY (TEN-E). FOURTH TEN-E GENERATION (2013). ENERGY PRIORITY CORRIDORS 55

2. REGIONAL COOPERATION IN EUROPEAN STRATEGIC DOCUMENTS 63

2.1. STRATEGY 2020 63

2.2. STRATEGY 2050 65

2.3. STRATEGY 2030 66

2.4. THE ENERGY SECURITY STRATEGY 67

2.5. THE ENERGY UNION 68

2.6. THE WINTER PACKAGE "A CLEAN ENERGY FOR ALL EUROPEANS" 72

2.7. ROMANIA'S POSITION IN THE EUROPEAN COUNCIL ON THE WINTER PACKAGE 76

4. REGIONAL COOPERATION IN THE FIELD OF ENERGY (II) 79

1. REGIONAL ENERGY COOPERATION IN THE CONTEXT OF THE THIRD ENERGY PACKAGE MECHANISMS. 79

1.2. FROM REGIONAL COOPERATION TO POLITICAL REGIONS IN THE FIELD OF ENERGY 101

1.3. COOPERATION OF THE ENERGY MARKET REGULATORY AUTHORITIES 102

2. REGIONAL COOPERATION OUTSIDE THE THIRD ENERGY PACK	119
2.1. THE ENERGY COMMUNITY	119
2.2. CESEC	123
2.3. THE ENERGY CHARTER TREATY	133
2.4. THE 16 + 1 ENERGY COOPERATION FORMAT	136
2.5. THE ESTERN PARTNERSHIP	141
2.7. INOGATE	147
2.8. THE THE THREE SEAS INITIATIVE	148
3. REGIONAL ENERGY COOPERATION IN ROMANIA	151
3.1. THE NATIONAL SECURITY STRATEGY	151
3.2. THE ENERGY STRATEGY	154
3.3. THE ROLE OF THE MINISTER OF ENERGY AS A QUALITY IN THE REGIONAL ENERGY COOPERATION PROCESS	159
3.4. THE ROLE OF ANRE IN THE REGIONAL ENERGY COOPERATION PROCESS	163
3.5. THE ROLE OF THE MINISTRY OF FOREIGN AFFAIRS AS A ACTOR IN THE REGIONAL ENERGY COOPERATION PROCESS	164
CONCLUSION	169

5. ENERGY POVERTY AND VULNERABLE CONSUMER – HOW FAR ARE WE FROM EUROPE? 176

1. CONCEPTS	176
2. ENERGY POVERTY - A THEORETICAL PERSPECTIVE	178
2.1. CONCEPTS AND DEFINITIONS. VULNERABLE CONSUMER AND ENERGY VULNERABILITY	178
2.2. ENERGY POVERTY INDICATORS	188
3. DEFINITIONS AND EUROPEAN INSTRUMENTS	193
3.1. STRATEGY DOCUMENTS	194
3.2. RECOMMENDATIONS, RESOLUTIONS, DIRECTIVES	203
4. DEFINITIONS AND POLICIES IN THE MEMBER STATES OF THE EUROPEAN UNION	208
4.1. DEFINING VULNERABILITY IN NATIONAL LEGISLATIONS	208
4.2. FACTORS OF ENERGY POVERTY IN A REGIONAL PERSPECTIVE	213
4.3. DEFINITIONS AT THE LEVEL OF DIFFERENT MEMBER STATES OF THE EUROPEAN UNION	
4.4. MEASURES FOR COMBATING ENERGY POVERTY AT LEVEL OF EUROPEAN COUNTRIES	227
5. ENERGY POVERTY IN ROMANIA	240
5.1 THE ROMANIAN LEGISLATION ON ENERGY POVERTY AND THE VULNERABLE CONSUMER	240
5.2. HOW TO PROTECT VULNERABLE CONSUMERS WITH FINANCIAL INSTRUMENTS?	243
5.3. THE LAW ON MINIMUM INCLUSION INCOME	262
5.4. HOW TO PROTECT VULNERABLE CONSUMERS THROUGH NON-FINANCIAL MEANS?	265
5.5. CAN WE MEASURE ENERGY POVERTY IN ROMANIA?	271
5.6. ENERGY POVERTY ON THE FIELD	273
5.7. THE NEED TO SIMPLIFY THE CONTRACTING PROCEDURES	304
6. CONCLUSIONS AND RECOMMENDATIONS	312

6.1. SETTING THE CONTEXT AND IDENTIFYING THE PROBLEMS 312

6.2. RECOMMENDATIONS 315

6. CONCLUSIONS 325

1. GENERAL CONCLUSIONS 325

2. NEW RESEARCH OPPORTUNITIES 343

APPENDIX 346

Bibliography 399

KEYWORDS

Energy policy, regional cooperation, energy cooperation, regional institutions, energy poverty, Romania

SUMMARY

The aim of the thesis is to analyze European regional energy cooperation frameworks in the wider context of EU energy policy and national policies across the Member States. The research paper has a longitudinal character, following the evolution of cooperation, political discourse and legal documents regarding energy. Research is also strongly policy oriented, bearing in mind Romania's political, regional and resource context.

With respect to the field of research, the present thesis mainly applies a Political Science and International Relations perspective, thus bringing a methodological and conceptual contribution to the debates on energy. Research also contributes, especially through the energy poverty component, to anchoring energy debates to the social sphere, drawing the subject away from the strictly macroeconomic and technical field, in which it is currently placed in Romania.

The context behind this thesis can be described by an increasing EU external resource dependency due to irreversible depletion of internal fossil fuels. The CEE region is, as evidenced by the resilience tests carried out in 2014, affected by this phenomenon in particular, whereas dependence on a dominant external supplier is particularly a problem. Paradoxically, there is a need to increase domestic energy production capacity. However, given resource limitation, the commitment to increasing production is geared towards multiplying resources and routes, towards renewable resources, high technology, a new market model and new forms of consumption based on efficiency. Yet, this broad commitment to sustainability (both from a market perspective and with respect to the agreements on the the reduction of GHG emissions) is difficult to achieve if there continues to be little solidarity between Member States, interconnections at infrastructure and process level are absent and several market models coexist. Overcoming these issues can be done by increasing cooperation between Member States. The EU approach on cooperation is regional. The winner of such a vision is the consumer, which is at the heart of the European Energy Policy and the Energy Union. The broader outcome of such an approach is an integrated, efficient, functional, competitive and equitable energy market.

In this context, the current thesis seeks to answer four major research questions outlined below. These are discussed in successive chapters, which are anticipated by a theoretical analysis that aims to place the discussion within a broader conceptual framework. The questions referred to are the following:

1. What is the role of regional cooperation in European energy policy and how has the regulatory framework evolved over time?
2. How have cooperation instruments materialized in the region?
3. How does a European consumer policy focus fit into a regional cooperation approach?
4. How does Romania act in a policy context based on regional and consumer-focused cooperation?

The methodology used for the analysis consists of a combination of quantitative and qualitative instruments. The definition of concepts and the grounding of the context were done through a literature review and a longitudinal analysis of relevant European documents. The same method underpins the analysis of cooperation platforms. The policy and attitudes regarding Romania's involvement in these processes is pictured by applying two methods: the review of strategic documents and political speeches, respectively through unstructured interviews with key decisionmakers in the system. The chapter on energy poverty is based on a combination of quantitative and qualitative methods. The framing of European and Member States' concepts and policies is achieved through a review of the existing literature and public policies. The main indicators used to analyse the databases obtained from the Ministry of Labor and the National Statistical Office are derived from this desk review. Results are matched with the reality on the ground through a qualitative study based on interviews with representatives of the households receiving heating benefits, the local institutions and decision-makers, and on observations, in three representative counties.

The thesis begins with an introductory chapter defining the context of research. Understanding the complexity of energy policies is still reduced at a political and institutional level. This is reflected not only in the fact that the Romanian state actors do not yet see a stake in supporting the energy policy research agenda but, more importantly, in the need to strategically clarify the role that energy plays in the evolution of the state and the Romanian society.

Romania finds itself in a delicate and tense international context, without any prospects of clarification in the short term. We are members of a European Union, which is in search of its own identity and stability after a rapid increase in the number of its members in the last 15 years. Furthermore, now more than ever it finds itself under the attack of internal destabilizing forces. Brewing and spreading illiberal and eurosceptic positions, in post-communist Europe (but not only), force the Union to redefine its foundations for cross-sectoral stability. We are members of the most powerful military alliance in history (NATO). Undoubtedly, this is a guarantee for the military security of the country. But, in turn, the structure faces internal divisions that endanger stability and efficiency. Moreover, NATO can hardly internalize all types of imbalances in the region,

such as those regarding energy. We are in a regional context dominated by instability (frozen conflicts in eastern Ukraine and Transnistria, but also geographical proximity to the conflict in Syria), euroscepticism and iliberalism throughout the Black Sea area with increasingly visible effects at international level. There is a constant assertiveness of Russia, which is looking for a more important role. Using the dominant position in terms of resources both in our region and in the international system as a whole, it understands the importance of the acute energy deficit of some Member States and translates it successfully into situations of interference in EU's internal affairs. In this complex context, strong ambiguity persists with regard to Romania's positioning in the region and the vision with respect to how internal and regional instruments should be used is unclear.

Last but not least, we find ourselves in a contradictory internal political context. From an institutional point of view, we find stability at the level of the parliamentary majority after the 2016 elections. Despite this, a quick glance at the level of speeches and actions of the main political actors shows a permanent tension between President, on the one hand, Parliament and Government, on the other, as well as a large part of the justice system and the parliamentary majority. We also find increased instability in the Government, despite parliamentary majority. In all this political background, we are witnessing more or less subtle attempts to politicize the energy system, while no common national energy strategy has been enacted yet. This is taking place in the context of energy market liberalization, firm emissions reduction commitments, while domestic infrastructure is increasingly aging and needs substantial investments, and the interconnection process is progressing at a slow pace, putting the internal energy market and the consumer in a situation of pressure in relation to future opportunities.

Political stakes are even greater as Romania is comparatively better off in terms of energy resources in the region. The prospectives are better due to recent discovery of Black Sea natural gas resources. In spite of this, uncertainties from the perspective of their management persist. It is unclear how Romania can use these resources to increase its regional stance. On the other hand, Romania is heavily affected by social issues closely related to energy, such as low energy efficiency of the housing stock or a high percentage of its population, which is in a state of energy poverty. In the absence of an integrated perspective on these issues at political and institutional level, the quality of energy policies (and not only) is strongly affected.

The research done through this doctoral thesis brings contributions to at least two dimensions. Conceptually speaking, it contributes to the development of the contemporary regionalism theory by integrating the energy cooperation dimension into the field. Secondly, it brings together the energy policy topic with the theory on public diplomacy, while raising the need to strategically develop the discursive dimension of energy diplomacy as a tool to strengthen Romania's position in the region. This contribution is an original one as there is not yet a very well-defined energy dimension within public diplomacy literature. Thirdly, from a strictly Romanian academic perspective, the current research is placed at

the intersection between Political Science and International Relations. Research also contributes, especially through the energy poverty component, to anchoring energy policies in the social sphere, drawing the subject away from a macroeconomic and technical area. Fourth, the thesis contributes to the development of Energy Poverty as a distinct field of research in our country. Finally, it is the first academic analysis on the policy making process in the energy field in our country. The endeavour implied bringing together all important policy documents, a complete identification of the relevant actors and the interaction between them in order to cause a better understanding of policy choices. Improvement needs have been identified and recommendations are made in the area of regional energy cooperation, public diplomacy and energy poverty, based on knowledge generated by the current research endeavor, as well as the existing one at the level of experts in our country.

The second chapter sets up the theoretical framework the thesis. First, it reviews the way in which regional cooperation is being reflected in literature through the theories of regionalism. It also makes a correlation between broad regional cooperation and energy cooperation. Secondly, it focuses on the content and the meaning of cooperation. Departing from Romania's strategic objectives in the region, in general and specifically on the subject of energy, it tries to identify a number of the foreign policy instruments that can favor such an evolution. This is done by making reference to Joseph Nye's theory on power and the *hard power-soft power-smart power* trynome, as well to Constructivism in International Relations.

The third chapter is dedicated to the main European regulations on regional energy cooperation. During this longitudinal approach, the role played by regional cooperation in European energy policy, the main institutional actors (at EU or Member State level) and the economic sphere and the principles underpinning the cooperation processes are being identified. The chapter aims to clarify how cooperation is being reflected in European documents and how it and its instruments are evolving over time from dispersed, predominantly informal mechanisms, focusing especially on the European internal space, to wider frameworks, which are increasingly formalized and better defined institutionally and geographically. At the same time, a regional approach to cooperation is being sought, whereas the CEE region is becoming an increasingly important brick in the construction of the EU energy market.

Following this approach, the fourth chapter lays down a detailed analysis of the regional cooperation frameworks in the field in our region. Both formal and informal platforms are being identified, mechanisms of the European Union and independent, while trying to understand the role, the content, the typology of each one, but also the way in which they intertwine. Moreover, Romania's participation in these frameworks is being evaluated.

Deriving from the consumer energy focused discussions at the European level and placed within the theoretical framework of the current thesis, the fifth chapter is devoted to energy poverty in Romania. The analysis highlights the need to apply market principles that are designed to empower the consumer and

protect those in a situation of vulnerability or energy poverty. The results obtained by applying quantitative instruments reveal that the percentage of Romanians who are affected by these risks is sufficiently large and that the problem cannot be ignored anymore in the energy policy process. Moreover, the symptomatic analysis of the phenomenon convinces us that Romania can become representative of the entire region, given that many of the causal factors (structural, social and economic, with regards to the market model, quality of institutions and public policies, etc.) owe to the common heritage of the Communist era. The way in which the phenomenon manifests itself is also similar. The lack of systematic studies in the region makes Romania an exemplary case. Assuming this issue by our country at an European level and all regional cooperation platforms, especially as its energy situation is comparatively better, may be a good opportunity to position Romania on a topic that is highly cross-sectoral, and which provides an opportunity for access to more important energy related aspirations.

The concluding chapter reiterates the research questions and, through the lenses of the theoretical framework, integrates the most important findings of this research. Conclusions have both a theoretical and policy value, mainly in relation to public policies in Romania. Last but not least, starting from the shortcomings identified throughout the research, the chapter proposes a number of subsequent research directions and opportunities.