

## TOWARDS A EUROPEAN ENERGY UNION

The European Union is poised to establish a genuine European Energy Union with the new powers conferred on it by the Lisbon Treaty. The European Energy Union aims to provide secure, sustainable and affordable energy throughout the cycle of production, transport and consumption by 2030. This book outlines, analyses and evaluates the legal regime underpinning this regulatory strategy, which integrates EU law with international law and with the law of member states and affiliated states. It demonstrates that and how these legal orders work together in achieving the universally shared objective of governing and transforming the European and global energy systems. This book will appeal to scholars and students of energy law and policy and the emerging global regulatory law at international, European and nationals levels.

VOLKER ROEBEN is Professor of Energy Law at the Centre for Energy Law, Petroleum and Mineral Law and Policy at the University of Dundee and concurrently Visiting Professor of Law at the China University of Political Science and Law, Beijing, and Adjunct Professor at Turku University. He was interim legal adviser of the European Energy Charter, a Senior Research Fellow at the Max Planck Institute of Public International Law and a Professor at Swansea University College of Law and Criminology, as well as Professor at the University of Bradford School of Law. He has written widely on public international law and European Union law, and is currently working on the project concerning citizenship rights post-Brexit commissioned by the European Parliament.



# TOWARDS A EUROPEAN ENERGY UNION

European Energy Strategy in International Law

VOLKER ROEBEN

University of Dundee





## **CAMBRIDGE**UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India

79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781107142817
DOI: 10.1017/9781316529720

© Volker Roeben, 2018

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2018

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data Names: Roeben, Volker, author

Title: Towards a European Energy Union : European energy strategy in international law / Volker Roeben, Swansea University.

Description: Cambridge [UK] ; New York : Cambridge University Press, 2017. Identifiers: LCCN 2017023584 | ISBN 9781107142817

Subjects: LCSH: Energy industries – Law and legislation – European Union countries. | Energy policy – European Union countries. Classification: LCC KJE6698 .R65 2017 | DDC 343.2409/2–dc23 LC record available at https://lccn.loc.gov/2017023584

ISBN 978-1-107-14281-7 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party Internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



For Petra, Johanna, Karl, Georg and Lukas. May fortune smile.



### **CONTENTS**

	Preface and Acknowledgements page xiii			
	Introduction 1			
	1 The Argument of This Book 3			
	<ul><li>2 Concept and Functions of the European Energy</li><li>Union 3</li></ul>			
	3 Regulation 5			
	4 Co-evolution 6			
	5 Integration 6			
	6 Global Regulatory Law 7			
	7 A Holistic View of EU Law 7			
	8 Assumptions of Multi-Tiered Regulation, Integration and Global Regulatory Law 8			
	9 Literature 9			
	10 Scope and Structure of This Book 10			
1	Establishing the European Energy Union 15			
	I From the Lisbon Treaty to the Strategy for a European Energy Union 17			
	<ul><li>II The Energy Union Strategy: Context</li><li>1 Goals</li><li>22</li><li>2 Dimensions of Action</li><li>24</li></ul>			
	III Governance 26			

vii



viii

Cambridge University Press 978-1-107-14281-7 — Towards a European Energy Union Volker Roeben Frontmatter More Information

CONTENTS						
	IV	International Cooperation: The External Energy Union 28				
	V	Regulating Energy in International Law, European Union Law and National Law 28  1 Public Good Regulation of European and Global Energy 29  2 Multi-Tiered Regulation, Its Legal Regime and Organising Principles 33  3 European Energy Strategy in International Law 33				
2		Rules-Based Energy Governance Worldwide: Regulation of Energy in International Law 36				
	I	Internationalising Energy 37  1 The Universal Norm of Sustainable Energy 38  2 Implementing Sustainable Energy in International Law 42				
	II	Developing Energy-Specific International  Law 45  1 The Energy Charter Treaty: International Energy Regulation 45  2 The Energy Community: Regional Energy Market Integration 65  3 International Law for Transnational Energy Purchases and Projects 68  4 Institutionalised Cooperation in Energy 69  5 Sovereignty of States over Their Energy Resources and Energy Mix 70				
	III	The Provision for Energy under the Sectoral Orders of International Laws 71  1 The Global Economy and Energy 72  2 Protection of the Environment and Energy 86  3 The Oceans and Marine Energy 95  4 Managing Energy Security 99  5 Development and Human Rights 102				
	IV	International Regulation of Energy and Its Legal Regime 103  1 Regulating the Global Energy Cycle 103  2 The Complex International Legal Regime of Energy 107				



CONTENTS	1V

3	The International F	Rule of Law and Energy	109

4 International Regulation of Energy and Its Enabling and Constraining Effect for the European Energy Union 11:

# 3 Realising the European Energy Union in EU Law: Internal and External Regulation of the Energy Cycle 114

- I The Constitutional Boundaries of the European Energy Union 115
  - 1 EU Energy Policy within the Lisbon Federalism 116
  - 2 Constraints: Dual-Representative Democracy, the Rule of Law and Fundamental Rights 126

### II Programme, Functions and Trajectory of Regulatory Change 130

- 1 The Programme of Regulatory Intervention 131
- 2 The Energy Market 136
- 3 Secure Energy 144
- 4 Renewable Energy 148
- 5 Efficient Energy 152
- 6 Interconnected Energy Infrastructure 156
- 7 Decarbonising the Energy System 158
- 8 Energy Innovation 165

### III Constitutional Order of the External European Energy Union 168

- 1 Enabling an External EU Policy on Energy 169
- 2 Dual Representative Democracy, the Rule of Law and Fundamental Rights as Constraints on External Energy Action 172

### IV Realising the External European Energy

Union 178

- 1 Programme of External Regulatory Action 179
- 2 The External Energy Market 182
- 3 Securing External Supply 184
- 4 Promoting Renewables, Energy Efficiency and Research 191
- 5 Decarbonising the Global and European Energy Systems 192
- V Conclusions 196



X CONTENTS

4	The Role of Coor	inated Member State Law in a European	1
	<b>Energy Union</b>	199	

- I Constitutional Guarantee of Autonomous Member State Policy and Law-Making on Energy 200
- II Coordinating Broad Member State Energy Policy 201
- III Member State Law-Making on Energy on the Objectives of Article 194(1) TFEU and the Constraints of the Internal Market and Environmental

Protection 204

- 1 The Energy Market 205
- 2 Security of Supply 210
- 3 Renewables 211
- 4 Energy Efficiency 219
- 5 Infrastructure Development 219
- 6 Decarbonisation 220
- IV Member State Treaty-Making on Energy 221
- V Exclusive Competence of the Member States for Their Energy Mix 223
  - 1 Nuclear Energy and the Internal Market 224
  - 2 Shale Gas 226
  - 3 Coal and the Subsidisation of Fossil Fuels 227
- VI Conclusions 228
- 5 Regulating Energy through an Integrated Legal Regime: Formation, Normative Questions and Global Regulatory Law 230
  - I Forming the Integrated Legal Regime of

Energy 232

- 1 Responsibility 233
- 2 Normativity 235
- 3 Unifying Concepts 238
- 4 Convergence 239
- II Legitimacy 240



CONTENTS

хi

III Global Regulatory Law 244

IV Conclusions: European Energy Strategy in International Law 248

Index 255



#### PREFACE AND ACKNOWLEDGEMENTS

Providing clean energy for present and future generations is one of the key challenges of the twenty-first century. The European Energy Union is a strategic project for the transformation of the European and indeed the global energy system in the period up to 2030. The ensuing dynamic regulatory change has an internal and equally important external dimension. As a result, EU-level governance of the energy cycle will come to be based on a legal regime that integrates three normative orders: international law, EU law and the domestic law of member states and affiliated states. This book analyses the trajectory of this regulatory change. For this purpose, it proposes a different perspective on the law of the European Union. Rather than being isolated, it is embedded in a broader normative context. The book then makes a methodological plea: normative orders ought to be understood as working towards strategic objectives that they can achieve only by working with others. This has concrete implications for the way each is to be interpreted. The essence of the emerging global regulatory law, as the law underpinning governance of global priorities, lies in this integration of international law, European Union law and other regional and domestic law. Energy exemplifies this global regulatory law.

This book reflects the law as it stood on 18 January 2017, although I have been able to include some essential updates.

This book could not have been written without the support at the College of Law and Criminology of Swansea University. Over the course of writing, I have discussed ideas, concepts and concrete questions with many colleagues, and the results of these discussions are reflected in this book. I thank Jukka Snell, Andrew Halpin, Stefan Oeter, Joel Trachtman, Udo Di Fabio, Rüdiger Wolfrum, Frank Hoffmeister, Michael Wood, Arwel Davies, Kong Qingjiang, Paul Craig and Robin Churchill who gave generously of their expertise, knowledge and time. Petra Minnerop has read and debated with me the entire manuscript. Robin Hill provided invaluable assistance. All remaining errors are mine.

xiii