

By Ian Taylor MP

Is tackling climate change compatible with maintaining energy security? The difficulties that Europe faces over maintaining stable supplies of energy are not as well publicised as the threats from global warming. Yet the events of this summer, when two oil pipelines through Georgia were closed as a result of the Russian-Georgian conflict, were a sharp reminder of how vulnerable EU energy supplies have become to supply from potentially unstable areas. As our North Sea reserves dwindle, this is not an issue that British politicians can evade. We have to face up openly to how to reconcile securing energy supply with the rush to save the climate. Some of the targets for the latter give the appearance of 'state national plans' with as little credibility as their predecessors. Too many 'green' campaigners give the impression that keeping the lights on does not matter.

The current serious energy risks include: greater competition for dwindling energy resources; sharp rises in energy costs as a result of increased demand and interrupted supply; inadequate investment in national grids; political insecurity in the Middle East; the use of energy as a political weapon; the scramble for Africa's oil and gas; and the forthcoming confrontations in the Arctic over potential drilling rights.

A particular vulnerability for the EU is its dependence on three countries for 60 per cent of its gas imports – Algeria, Norway and Russia. That exposure will grow for the UK as North Sea reserves are gradually exhausted. In our case that will mean our gas imports more than doubling from 40 per cent of our needs between 2010 and 2020. Russia will benefit most from this need for higher gas imports; the percentage of EU imported gas from Russia is expected to rise from the current 25 per cent to 40 per cent by 2030 (but with a higher percentage in some EU countries, such as Germany). And this reliance on Russia is worsened by the fact that much of the oil and gas imported from central Asia has to come through Russian pipelines to reach the West.

Europe's reaction to these challenges has been weak and ineffective. The EU lacks a coherent energy policy (although the Lisbon Treaty would have made one more feasible) either internally or externally. It has signally failed to display a collective response to Russia's use of energy as a foreign policy tool and has been too compliant in Russia's tactics over pipeline location.

Energy insecurity could become more evident sooner than the serious consequences of climate change. The only way to avoid blackouts within this decade of our electricity supply may be to set aside some measures planned to enforce carbon emission reduction targets - which would be a really big shock to the current political consensus! For example, we need to question whether it makes sense to uphold EU rules which require the phasing out of high-sulphur dioxide producing coal-fired power stations by 2015.

We should revisit other measures to tackle global warming to evaluate their damaging

side-effects. Using land for biofuels could reduce food production at a time when there are 70 million extra mouths to feed every year (and a rising demand for meat in the emerging economies). For the first time in history, land can be switched between food or energy production as food and energy have converged in price. Indeed, Goldman Sachs has suggested that the risk of famine over the next three years has increased because of the switch to biofuel production.

So there is an urgent need to explore environmental and energy issues together - and technological innovation may assist. Greater efficiency in sustainable renewables sources (the most viable of which will be from indigenous resources) will reduce dependence on fossil fuels but insufficiently to meet overall demand for affordable and reliable energy supply. Nuclear power - despite being environmentally emission-friendly - is controversial because organisations such as Greenpeace turn their backs on realities. There is now a welcome cross-party determination in the UK to build the next generation of nuclear plants - but the first will come on stream in 2020 at the earliest. Also, I have been campaigning in Parliament for more research into carbon capture and storage which could (if proven) enable coal generated energy to become 'cleaner'. That this research is only now getting government backing shows how little sense of urgency has been displayed.

A fresh approach is needed by the EU. First of all member states have to adopt a cohesive front in handling relations with energy-rich countries. Second, the EU has got to stop treating Russia as a country already with the same democratic values as our own and insist upon it adopting a rules based approach to energy policy. Third, EU Member States, including the UK, must make sure that their domestic energy infrastructure and distribution is robust (for example, by increasing the amount of gas storage in the UK and improving microgenerator access). Fourth, the EU should do more to achieve energy interdependence and solidarity between member countries. Finally, the political will is needed right across the EU to give energy security and climate change issues the priority they both deserve. This will mean being more open and realistic about the challenges and the costs of 'going green'.

Ian Taylor MP is Chairman of the Conservative Group for Europe and a member of the IPPR Commission on National Security. He is a former Minister for Science and Technology at the Department of Trade and Industry.

September 2008