Energy security policies of Germany and Poland in the 21st century – a comparative analysis

Rafał Ulatowski

Introduction

Since the oil crisis of 1973, energy security plays an important role in international relations. Energy importers struggle with security of supply and energy exporters – with security of demand. Especially the supply of oil and natural gas is a sensitive subject in the context of political goals. Exporters of these commodities try to transform control over oil and gas reserves into political power. Although oil remains the most important energy resource, the probability of excessive production cuts is low. They would probably hurt oil producers even more than consumers, accelerating development of new energy technologies and reducing long term income of producers (Bhattacharya, 1977; Fattouh, 2007). In the early 21st century the tight market, rising petro-nationalism and galloping prices opened once again the question about the limited character of fossil fuels (Simmons, 2005), and the Russian-Ukrainian gas conflicts brought into question the security of supply of oil and natural gas by Russia for European costumers. In many European states dependence on Russian gas supply is the main challenge to their energy security. Differently than in the case of oil, there is no global gas market, the relations between suppliers and customers are determined by long-term contracts, and the existing infrastructure in Europe does not make it possible to change the supplier (Youngs, 2009).

Under these circumstances, energy security rises to become one of the key topics of Polish-German relations in the 21st century (Lang, 2007, pp. 30–34). Despite the high dependence of both states on fossil fuels, they have developed radically different energy policies (Ministerstwo Gospodarki, 2009; Deutschland Bundesministerium für Wirtschaft und Technologie, 2010). In this paper I argue that there are three main differences between the energy policy of Poland and that of Germany. The first one is their relations with Russia. Both states are already dependent on Russian oil and gas supplies. Despite this fact, Germany decided to develop close
cooperation with Russia, signing further agreements on cooperation in the
energy sector and new supply from Russia. German companies also invest
in the North Stream gas pipeline that directly connects Russia and Ger-
many. Poland, in turn, took steps to diversify the suppliers of natural gas
and oil, building the necessary infrastructure. The second difference is
that Germany has initiated the energy transition (Energiewende), which priori-
tises renewable energy, nuclear energy phase-out and increasing energy ef-
ciency. Poland, on the other hand, expressed little enthusiasm towards
prioritising environmental protection on the European stage. Despite ver-
bal cautions it achieved substantial progress in reducing CO₂ emissions.
Poland’s energy policy also includes plans to build the first nuclear power
station in Poland. Third, the governments of Poland took numerous steps
to promote stronger European cooperation in the energy sector. Energy se-
curity is one of the priorities of Poland’s European policy. Germany, on
the other hand, concentrated on promoting environmental protection at the
European Union (EU) level.

This paper has the following structure: first, the author will discuss the
role and evolution of energy security; second, he will analyse the internal
aspects of the energy policy of Germany and of Poland; third, he will fo-
cus on the international dimension of the Polish and German efforts to
achieve energy security. The paper ends with conclusions.

The dilemma of energy security

For the first time, the issue of energy security was noticed in the early 20th
century by First Lord of the Admiralty Winston Churchill. He decided to
shift the source of power of the Royal Navy’s ships from coal to oil.
Thanks to this move, the British Navy regained the technological advan-
tage over the German Navy. But it also became dependent on an external
fuel supply, and the sole supplier at that time was Persia. Energy security
became the key challenge for Britain. Churchill understood that “safety
and certainty in oil lie in variety and variety alone” (The Economist,
2005). But during the post-WWII economic boom, the industrialised states
mostly neglected the importance of diversity of oil supply. Only the oil
embargo of 1973 illuminated the consequences of dependence on one re-
source and one region, which was oil from the Persian Gulf.

Since the 1970s, a broad range of definitions of energy security has
been developed. But still “there is no common interpretation” (Checchi,
Behrens and Egenhofer, 2009, p. 1), and the concept “seems to be rather blurred” (Löschel et al., 2010, p. 1665). All existing definitions of energy security may be divided into three groups. The first are those created by authors who concentrate on continuity of energy commodity supplies. These definitions are also central to the definitions of the second and third group. The authors belonging to the second group “introduce subjective severity filters to distinguish between secure and insecure levels of continuity” (Winzer, 2011, pp. 4–6). The authors belonging to this group suggest that energy security is at risk not only when supply of the commodity is disrupted but also when the prices rise. The extent and speed of the price rise is widely discussed. The authors belonging to the third group extend the “the impact measure to the price and continuity of services, the impacts on the economy and in some cases the environment” (Ibidem). In consequence, there is a range of definitions from very narrow ones – for example the “likelihood that energy will be supplied without disruptions” (Ocaña and Hariton, 2002, p. 9) – to extremely broad ones – for example “the challenge of equitably providing affordable, reliable, efficient, environmentally benign, properly governed and socially acceptable energy services” (Sovacool and Rafey, 2011, p. 93). Beng Wah Ang, Wei Liang Choong and Tsan Sheng Ng argue that the differences in understanding of energy security between states have their roots in a “country’s special circumstances, perception of risks, as well as the robustness of its energy system and prevailing economic system” (2015, p. 1078). The definitions of energy security are dynamic, and they evolve over time (Ibidem).

It is important to indicate that since 1973 all attempts to achieve energy independence in industrialised countries (Organisation for Economic Co-operation and Development, OECD members) have failed. OECD members achieved only the reduction of oil dependence on the Persian Gulf (Duffield, 2015). Daniel Yergin suggests that although diversification remains the key element of energy security, a wider approach is required today. The reasons for this are the deep changes in the global economy and in the energy market. Today the energy market is much more complex than in the 1970s, and it requires close cooperation between energy exporters and importers. “In a world of increasing interdependence, energy
security will depend much on how countries manage their relations with one another, whether bilaterally or within multilateral frameworks”\(^1\).

In this paper I follow the definition offered by the European Commission. In its Green Paper of 2000, it defined the main object of the energy security strategy as to secure “the well-being of its citizens and for the proper functioning of the economy, the uninterrupted physical availability of energy products on the market at an affordable price for all consumers, whilst respecting environmental concerns and looking towards sustainable development. It is not a question of maximising energy self-sufficiency or minimising dependence, but rather of reducing the risks linked to this dependence” (European Commission, 2000). In this definition four aspects play a crucial role: first, the security of supply; second, the “affordable price”; third, the environmental impact of the energy sector; and fourth, the consequences of dependence on foreign supply.

Energy policies of Germany and Poland – internal aspects

In the 21\(^{st}\) century, the Polish and the German energy-mixes have substantially changed. In both cases, solid fuels, oil and gas still play the dominant role, although substantial changes in the importance of single energy sources are visible. In Germany the role of nuclear energy is decreasing. In both states renewable energies are increasing in importance (Table 4.). Both countries are net energy importers, but the dependence of Germany on imports is relatively constant and amounts to approximately 60% of the energy consumed. The situation in Poland is different, however. At the beginning of the 21\(^{st}\) century, the energy dependency on imports of Poland amounted to 9.9%, in 2011 it was already 33.4% and has fallen only slightly since then. The reason for this is the growing oil and gas consumption and rising coal imports. Although Poland was traditionally an important coal exporter, its market situation has changed in the last decade, and since 2008 Poland has been a net coal importer (Table 5.) (Kaliski, Sikora and Szurlej, 2014).

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\(^1\) See: Testimony by Daniel Yergin “The fundamentals of energy security” in: Committee on Foreign Affairs US House of Representatives, 2007, p. 3.
Table 4. Gross Inland Consumption of energy by product (in %)

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<tbody>
<tr>
<td></td>
<td>Germany</td>
<td>Poland</td>
<td>Germany</td>
<td>Poland</td>
</tr>
<tr>
<td>Solid fuels</td>
<td>24.8</td>
<td>63.5</td>
<td>25.4</td>
<td>52.2</td>
</tr>
<tr>
<td>Petroleum and Products</td>
<td>38.3</td>
<td>21.5</td>
<td>34.5</td>
<td>23.7</td>
</tr>
<tr>
<td>Natural gas</td>
<td>21</td>
<td>11.2</td>
<td>20.4</td>
<td>14.2</td>
</tr>
<tr>
<td>Nuclear</td>
<td>12.8</td>
<td>0</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Renewable</td>
<td>2.6</td>
<td>4.3</td>
<td>11.3</td>
<td>9.1</td>
</tr>
<tr>
<td>Wastes Non-Renewable</td>
<td>0.5</td>
<td>0.1</td>
<td>1.4</td>
<td>0.5</td>
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Table 5. Dependence on foreign energy supplies (in %)

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<tr>
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<th>2000</th>
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<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>Germany</td>
<td>59.4</td>
<td>60.9</td>
<td>60.1</td>
<td>60.5</td>
<td>60.9</td>
<td>60.4</td>
<td>60.8</td>
<td>58.4</td>
</tr>
<tr>
<td>Poland</td>
<td>9.9</td>
<td>9.9</td>
<td>10.6</td>
<td>13.2</td>
<td>14.5</td>
<td>17.2</td>
<td>19.6</td>
<td>25.5</td>
</tr>
<tr>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
<td>2014</td>
<td></td>
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</tr>
<tr>
<td>Germany</td>
<td>60.8</td>
<td>61.0</td>
<td>60.1</td>
<td>61.6</td>
<td>61.3</td>
<td>62.6</td>
<td>61.4</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>30.2</td>
<td>31.6</td>
<td>31.3</td>
<td>33.4</td>
<td>30.6</td>
<td>25.6</td>
<td>28.6</td>
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Table 6. CO2 emissions (kg per PPP $ of GDP)

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<tr>
<th></th>
<th>1991</th>
<th>2004</th>
<th>2011</th>
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<tr>
<td>Germany</td>
<td>0.6</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Poland</td>
<td>1.6</td>
<td>0.6</td>
<td>0.4</td>
</tr>
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The Polish energy-mix is still dominated by coal. Rich coal reserves and extensive use of coal for electricity generation mitigate the dependence of Poland on imported crude oil and natural gas. However, certain risks are connected with the dependence of the Polish energy sector on coal. First,
any disruption of coal supply (a strike by trade unions or problems with railway transport) may lead to interruption of electricity supply. Second, thanks to productivity improvements most mines are well-adapted to market competition, but falling coal prices may strongly affect their competitiveness. Third, the coal-based energy sector is responsible for a large share of Polish CO₂ emissions. Poland’s obligations toward EU partners in the energy sector restrict the possibility of future reliance on coal in the energy sector (Gruszczyński and Szyjko, 2015, p. 124) (Table 6.).

Poland’s energy policy has three main characteristics. First, Poland tries to be an active actor in European energy policy. The goal is to participate in the shaping of the structure of the energy sector in Europe in the 21st century. Second, Poland tries to reduce its dependence on a single supplier of oil and gas (Russia) and to build a wide range of suppliers. Third, Poland has prioritised diversification of supply over market liberalisation. Market liberalisation without diversification of supply might lead to domination of a few foreign companies over the market (Frank, 2007, pp. 294–296). In this part of the paper I will discuss the second and the third characteristic of the Polish energy policy, leaving the first one for the next part.

Poland is practically fully dependent on external oil supply. What is more, two-thirds of the consumed gas is imported, with only one-third being produced locally. Russia is the most important energy supplier for Poland. It is responsible for 96% (in 2012) of Polish oil imports and 80% of Polish natural gas imports. But the dependence on oil imports from Russia does not cause major worries. Thanks to the oil terminals in Gdańsk, Gdynia and Szczecin, both of the biggest Polish refineries, in Płock and Gdańsk, have direct access to the global oil market. The reason for the import of oil from Russia is its competitiveness. Polish oil companies regularly import small amounts of oil from other countries and regions. The key challenge to Polish energy security is the underdevelopment of the gas infrastructure. For many years, gas import had been possible only from the east, mainly through the Yamal pipeline (OECD/IEA, 2014, pp. 359–373). Since the beginning of the 21st century, many transport projects in the energy sector have been under discussion. Those were the gas pipeline connecting Poland with the Norwegian gas fields, the Sarmatian Gas Pipeline, connecting Poland with the gas fields in Central Asia and Iran via Ukraine, and the Odessa–Brody–Gdańsk oil pipeline. Additionally, stronger cooperation with other central and eastern European states was discussed on many occasions. The topics were LNG (i.e. liquefied natural gas) terminals, interconnectors and new storage facilities.
(Geden, Marcelis and Maurer, 2006, p. 20). Especially cooperation within the Visegrad Group has the potential to strengthen regional energy security (Mišik, 2012, pp. 56–72).

First, the construction of the LNG terminal in Świnoujście, with an annual capacity of 5 billion m³, will give Polish consumers access to the currently emerging global gas market (Goldthau, 2012, pp. 212–222). The terminal was opened in 2016. It may be enlarged in the future up to 7.5 billion m³. Together with the newly constructed interconnectors (gas pipelines connecting Poland’s gas system with the gas system of the Czech Republic and the gas system of Germany), the possibility to pump gas through the Yamal pipeline not only from east to west but also from west to east and with the local gas production, Poland will be able to radically reduce its gas imports from Russia in the future (The Economist, 2014; Claes, 2013, pp. 184–185). The ongoing investments will make it possible for some 90% of the Polish gas demand to be covered by non-Russian suppliers. Of course, this does not mean that Poland will resign from the supplies from Russia, but Polish customers will gain access to other supplies too. The LNG terminal should be seen as a hedge against the market power of Gazprom (Boersma, 2015, pp. 121–122). Other projects such as the gas pipeline to Norway (Baltic Pipe) or a second LNG terminal are also being discussed (Maciążek, 2016a).

The key to Poland’s energy security lies in diversification of suppliers and liberalisation of the Polish market (Ćwiek-Karpowicz, 2012). The development of transport infrastructure will give Poland stronger negotiation positions against Gazprom. Data shows that gas prices in Poland in the recent years were above consumer prices in Western Europe. Russia used its monopolistic position to achieve higher prices. This way it made it clear to Gazprom clients on several occasions that it opposed their diversification attempts (Kalyuzhny, 2005). As Gazprom data shows, Western European consumers paid 440$ for 1000 m³ gas in 2012, 385$ in 2013 and 341$ in 2014. In the same years, Poland paid 500$, 429$ and 379$ respectively for 1000 m³ gas. As a result, Poland’s bill was around 500 million $ higher annually than it would be in prices paid by Western Europe (Rosicki, 2015, p. 144). The construction of the infrastructure needed to import gas from other suppliers will strengthen Poland’s position in future negotiations with Gazprom (Henderson, 2016, pp. 7–8).

One of the biggest hopes for the improvement of Poland’s energy security was offered by the potential substantial reserves of shale gas in Poland. The optimistic report of the U.S. Energy Information Administra-
tion of 2011 referred to Poland as having “some of the most favourable shale gas resources in Europe”. It suggested the Poland’s shale gas reserves were among the biggest in Europe, amounting to 187 trillion cubic feet (tcf). But the Polish Geological Survey later revised these figures down by a factor of ten. That has since cooled down the government’s optimism. The geology proved much less favourable than initially expected. In consequence of unsuccessful drillings, companies involved reduced in number. Insiders cited by the press referred to the Polish shale industry as “dead” (Neslen, 2015).

Similarly to Poland, Germany has a very little local resources. But in contrast to Poland, it has a well-developed infrastructure, which allows it to import oil and gas from different suppliers. In 2012 Russia was the most important oil supplier for Germany (37% of imports). It was followed by: the UK (14%), Norway (10%), Libya (9%) and Nigeria (7%). The list of gas suppliers was less diversified, however. Russia was the major supplier (36%). It was followed by the Netherlands (26%) and Norway (25%) (OECD/IEA, 2014, pp. 199–213).

Germany’s energy policy has three primary goals: (1) economic efficiency, (2) environment protection and sustainability and (3) security of supply. The importance of these goals has changed over time. While environmental protection and sustainability did not enjoy much interest in the 1950s and the 1960s, it became a priority in the 21st century (Duffield and Westphal, 2011, p. 171). German politicians’ interest in the security of supply in the 21st century was only short-lived. The first signal of increasing interest was a Green Paper of the European Commission of November 2000. The reason why the EU decided to take a closer look at this area was its rising dependence on Russian gas supply. But after the 2006 Russian-Ukrainian gas conflict, the vulnerability of the EU (and Germany) became clear. Germany’s Chancellor Angela Merkel called an energy summit that was to address the future of the Germany’s energy policy. The first summit was held on 3 April 2006 and was followed by two more. The third one was held on 3 July 2007. After over a year of discussions, an important development could be observed. In the beginning, “security” played a central role and the German elites showed the desire to become politically more involved in energy issues. It would be a major change in Germany’s energy policy because for decades energy issues had been managed by the ministry of economy and dominated by economic rationality. But already in 2007, Germany’s government decided to link energy policy to environmental policy (Duffield, 2009, p. 179). This trend was
strengthened by the accident at the nuclear power plant in Fukushima, Japan, in March 2011. Following this accident, Germany’s government decided to gradually abandon nuclear energy. Since 2011, the German energy transition has focused on three pillars: nuclear phase-out, expansion of renewable energy sources, and increase in energy efficiency (Röhrkasten and Westphal, 2012). From that point of view, renewable energy has three key advantages. First, it supports long term energy security; second, it supports economic growth by creating sustainable jobs; and third, it helps mitigate climate change (Hinrichs-Rahlwes, 2013, pp. 10–14).

In the 21st century, Germany’s energy security policy is primarily assessed from the perspective of energy transition. As the study of Sybille Röhrkasten and Kirsten Westphal shows, this view is reinforced by the fact that “energy” is associated first and foremost with “electricity”. German experts worry mainly about the consequences of the Energiewende, such as the stability of electricity supply and the future prices. There is a strong view that Germany’s energy transition and the U.S. energy revolution are a “game changer” (Röhrkasten and Westphal, 2012).

Renewable energy sources have an increasingly greater impact on Germany’s energy landscape. Already one-quarter of electricity is produced from renewable energy sources. This success, however, has costs, as well. Subvention (EEG-Umlage) costs German customers over 20 billion euro a year (Luge, 2014). The development of an energy system based on renewable energy sources requires the extension of power transmission systems that would make it possible to transport electricity from the north of the country, where wind turbines are located, to the consumption centres in the south. Today Germany’s transmission network does not allow for the transport of such a massive amount of electricity. As a consequence, German electricity is flowing into the Dutch, Polish or Czech systems. This presents a challenge for operators from these states. In March 2014, Polish and German network operators – Polskie Sieci Elektroenergetyczne and 50Hertz – signed a contract for the installation of technical equipment on the border to more efficiently control the flow of electricity between these two networks (Kowalczyk, 2014). Furthermore, the supply of electricity from renewable sources is unstable and depends on weather conditions. The development of renewable energy showed the need to develop and keep reserve power production capabilities in conventional power stations. The rise of the supply of cheap electricity from renewable sources also made the use of modern and environmentally friendly but expensive gas-fired power plants uneconomic. Together with the development of renew-
able energy, the demand for electricity from older and less environmental friendly but economic coal-fired power stations rose, as well. In the face of these challenges, the government decided in August 2014 to reform the support system for renewable energy sources. It aims to better manage and control the development of the energy system (Hake, Fischer, Venghaus and Weckenbrock, 2015, p. 12). The fall of oil prices since the summer of 2014 has put even more pressure on the economic aspects of renewable energy.

The characteristic element of the energy-mix of both states is high or rising “energy dependency”, understood as a situation when (1) more than one-third of a country’s total energy supply comes from foreign sources; (2) more than 50% of the annual consumption of a major energy source comes from foreign supply; (3) a country depends on a single foreign supplier for more than 60% of its imports of a major energy source for that state or more than 45% of its consumption of that energy source (Balmaceda, 2013, p. 16). Poland almost meets the first of Margarita M. Balmaceda’s above-mentioned definitions of energy dependency and meets the second and third one. Germany meets the first and the second definition.

Both governments have put energy policy at the centre of their economic strategies. Energy transition in Germany should allow Germany’s economy to achieve a competitive edge. Poland’s government also expected the development and introduction of new technologies into the state’s economy in connection with shale gas exploration (Ćwik-Karpowicz, Gawlikowska-Fyk and Westphal, 2013). Nevertheless, both governments struggle with multiple challenges.

The international dimension of Germany’s and Poland’s energy policies

An important factor strengthening Polish-German cooperation in the energy sector is the membership of both states in the European Union. In the last decade the issue of energy security enjoyed high interest on the part of European institutions. But there is a paradox in the activities of the EU. On the one hand, the EU promotes interdependence, market integration, convergence of governance standards. EU institutions promote a “rules based governance” approach to energy security. On the other hand, the member states try to influence EU policies in their favour and try to take stronger control over their energy sectors, contradicting the goal of cen-
tralisation of the EU’s energy policy (Youngs, 2011, p. 41). The Lisbon Treaty strengthens the position of EU institutions in the energy sector and underlines that the energy policy of the EU member states should be in accordance with “a spirit of solidarity between member states”.

In contrast to Germany, Poland’s energy policy is highly securitised with references to military security. Poland is one of the EU member states that most vocally highlight the danger of reliance on Russian gas supply (Boersma, 2015, pp. 43–60). The reasons for the difference between central European states, such as Poland, and Western European ones, such as Germany, are the historically-rooted dependence on energy supplies from Russia (Schmidt-Felzmann, 2011; Johnson and Boersma, 2013) and the differences in the Russia’s attitude towards Western European states and the countries that used to belong to the Soviet sphere of influence. To Western European countries, Russia is a reliable supplier, but towards central and eastern European states it is keen to use energy resources as an instrument to achieve political goals (Proedrou, 2012, pp. 80–81). In 2006, Poland’s Minister of Foreign Affairs Anna Fotyga argued that the interests of Poland and other EU central European member states may differ from the interests of the old EU members. She argued that the central European countries were interested in reducing their traditional dependence on Russia, while some of the old members may be interested in bigger supplies from Russia (Geden, Marcelis and Maurer, 2006, p. 16). For Poland security of gas supply is a part of the national interest (Frank, 2007, p. 296).

Since its accession to the EU on 1 May 2004, Poland has raised the issue of energy security to become one of the priorities of its foreign and European policy (Lang, 2008). Three main strategies are applied to achieve energy security. First, Poland tries to secure its position as an important transit country for Russian supplies of oil and gas to Western Europe. Second, it tries to diversify its sources of supply (Frank, 2007, pp. 296–298). Third, it tries to strengthen cooperation of the EU member states in their energy relations with Russia (Roth, 2011, p. 612).

In late 2006, the Polish oil company PKN Orlen acquired from the bankrupt Russian oil giant Yukos the majority of the only oil refinery in Lithuania. Its offer was deemed superior to the offers of Russian oil companies. Short thereafter, the pipeline connecting the refinery with the Russian oil fields was damaged. Although the Russian companies declared their readiness to supply the refinery with tankers, the costs increased. After several months the Russia’s government declared the repair of the pipeline impossible. Additionally, Russia blocked imports of meat from
Poland. In consequence, Poland blocked the EU–Russian talks on the Partnership and Cooperation Agreement. That was only one of many Polish-Russian struggles in connection with energy issues. Already in 2004, Poland experienced a gas shock as Russia cut gas supply to the west during its conflict with Belarus (Umbach, 2008, p. 274). What remains at the centre of Polish-German discussions on the international aspects of energy security is the relationship with Russia. Most of the Polish elites are sceptical of Russia as a reliable supplier of energy resources, and they promote a reduction of the dependence on Russia. Germany, in turn, strongly promotes close relations with Russia and believes energy should be at its core (Ibidem).

Since 2004 all Poland’s governments have been determined to take advantage of Poland’s EU membership to guarantee energy security to Poland and the other member states. In March 2006, Poland proposed the Energy Security Treaty and submitted this plan to the European Council. Its main goal was to provide security against pressure from exporters of energy resources, mainly Russia. The treaty proposal was based on a mechanism known from Article 5 of the NATO-treaty. For this reason, Poland’s proposal was labelled as the “Energy-NATO”. Not only market forces but also governments should influence the flows of energy resources. Should supply be cut, other states would deliver the commodity. This principle, known as “one for all, all for one”, should strengthen European unity and the security of supply. States should jointly manage their oil and gas reserves as well as develop the infrastructure needed in case of emergency. The treaty would be open not only to EU members but also to NATO members. Two of them were of utmost importance from Poland’s point of view. The first one was Norway, the only country in the region with significant reserves of oil and natural gas, and the second one was Turkey, which may play a crucial role as a transit country for supplies from energy-rich Central Asia as well as from the Middle East. The United States did not play any substantial role in this concept (Marcinkiewicz, 2006). The “Energy-NATO” was supported by the Visegrad group states (Poland, Czech Republic, Slovakia, Hungary) (Geden, Marcelis and Maurer, 2006, p. 24), but it was rejected in most other capitals of the EU member states as well as by the European Commission. This diplomatic initiative proved to be unsuccessful for many reasons (Gawlikowska-Fyk, McQuay and Parkes, 2014, pp. 1–2; Wyciszkieicz, 2006, p. 40). Nevertheless, the most important one was the opposition of the major member
states – mainly Germany, but also France (Geden, Marcelis and Maurer, 2006, p. 24).

Germany promotes a cooperative strategy towards Russia. Germany’s Minister for Foreign Affairs Frank-Walter Steinmeier argued in favour of close partnership between consumers, suppliers, transit countries and enterprises. He proposed an “Energy–CSCE” that should promote cooperation, understanding and trust between them (Steinmeier, 2006).

Energy partnership with Russia presents an element of a broader political concept of close German-Russian cooperation. It has a long history, but Germany’s Chancellor Gerhard Schröder and Russia’s President Vladimir Putin gave it a new impulse, thanks to the North Stream gas pipeline project (Szabo, 2015). In Germany, the potential problems of dependence on Russian gas-supply are only rarely raised (Riley and Umbach, 2007; Meister, 2012). Most authors argue that Russia has been a reliable partner that has supplied oil and gas even during the Cold War. Russia is also dependent on income from its oil and gas exports to Europe. It has no other markets where it could redirect its exports. Potential exports to Asia require investments going into billions and many years to be realised. Roland Götz even called for ending the “diversification race” in the EU (2007, p. 6; Rahr, 2007). With respect to ensuring energy security, Germany has three goals. First, it wants to diversify the sources of supply and transit routes to reduce dependence on a single supplier or transit country. Second, it wants to promote an open and friendly investment climate in resource-rich countries to raise global production capacities and improve the international position of German energy companies. Third, it wants to promote greater use of renewable energy sources and energy efficiency to reduce demand for fossil fuels (Sander, 2007).

From Germany’s point of view, Poland’s proposal was unacceptable not only because Germany has a different concept for energy security but also because it prefers cooperation with Russia, and Poland’s proposal made a strong anti-Russian impression (Umbach, 2008, pp. 280–281). At the same time, German-Russian cooperation on the North Stream project brought into question European solidarity and raised the question of the consequences of the Russian-German energy partnership for Poland (Wprost, 2006). The North Stream gas pipeline which allows transporting 55 billion m³ directly from Russia to Germany was criticised in Poland for several reasons. First, Poland was worried that Russia will be able to reduce the transport of gas through the Yamal pipeline. That would weaken Poland’s negotiation position because Russia will be able to cut supply for
Poland without harming German consumers. The North Stream gas pipeline reduces the strategic importance of Poland for Russia as a transit country. Second, Poland was worried about the environmental consequences of the pipeline’s construction for the Baltic Sea. Third, it was argued that a gas pipeline on land would be much cheaper (Rosicki and Rosicki, 2012, pp. 141–143). As the then President of Poland commented at that time, North Stream is “a project that starkly contrasts with Polish interests” (Kaczyński, 2006).

Poland’s proposal of 2006 gave an additional impulse to the discussion about energy security at the European level. In 2006, the European Commission published a Green Paper which recognised the importance of speaking with the “common voice” (Commission of the European Communities, 2006, p. 4). Energy security was introduced into the Lisbon Treaty where that treaty introduced clear limits to the common energy policy, giving the member states the right to decide about their energy-mix (Article 194 of the Treaty on the Functioning of the European Union – TFEU). The next step was a declaration of former President of the European Parliament Jerzy Buzek and former President of the European Commission Jacques Delors. On the eve of the sixtieth anniversary of the Schuman Declaration, they adopted a declaration calling for the creation of a European Energy Community. They argued in favour of “a stronger, deeper common energy policy” (Buzek and Delors, 2010).

Although the Ukrainian-Russian gas conflicts (mainly of 2006 and 2009) grew to become an almost traditional winter event, it was only the military conflict between these two states that undermined the image of Russia as an reliable energy supplier in Germany and many other (Russia-friendly) capitals of the EU member states. In the conflicts of 2006 and 2009, the EU played a passive role. In the military conflict, the EU has supported Ukraine, and has reacted with sanctions against Russia. In the early 2000s, the European and Russian elites discussed “a single energy area”. There was a strong wish to develop common rules for the energy sector. Today these hopes are dead, and EU–Russian relations are transactional in character without any desire to build a structural dimension (Buchan, 2014; Romanova, 2012). Despite this cooling-down of relations, oil & gas companies from Russia, Germany and third countries decided to invest in the North Stream II pipeline. Germany’s government silently accepts the project, pointing to its private nature (EurActiv.com, 2015). Germany is attempting to become a gas hub for central Europe. With this goal, it is on a collision course with Poland (Maciążek, 2016b).
In the Green Paper of 2000 the European Commission advocated a “long term strategy in the framework of a partnership with Russia” (European Commission, 2000). The Conclusions of the European Council of March 20–21 2014 gave a clear signal to strengthen work on energy security. “The European Council calls on the Commission to conduct an in-depth study of EU energy security and to present by June 2014 a comprehensive plan for the reduction of EU energy dependence. The plan should reflect the fact that the EU needs to accelerate further diversification of its energy supply, increase its bargaining power and energy efficiency, continue to develop renewable and other indigenous energy sources and coordinate the development of the infrastructure to support this diversification in a sustainable manner, including through the development of interconnections” (European Council, 2014, p. 10). The Russian-Ukrainian conflict has demonstrated that the market-based approach of the EU needs to be complemented by further steps taking into account political rather than only the economic dimension of natural resources. The dependence on Russian supplies has been seen as a constraint on Germany’s foreign policy during the Ukrainian crisis (Dyson, 2016).

The role of Germany is “critical” for the development of a common European energy policy. Although a united Germany proved that it is a staunch proponent of European integration (EU enlargement, currency union), in its energy policy there is much more ambivalence. On the one hand, it supported initiatives towards integration of energy policy and climate policy, energy conservation and the increased role of renewable energy sources in the European energy-mix. But even though German and European politicians often have something different in mind, they apply similar labels. At the same time Germany opposed, for example, the liberalisation of the gas and electricity markets and the creation of a common external energy policy (Duffield and Westphal, 2011, pp. 169–180; Kohl, 2010, pp. 199–200).

The success of Germany’s energy transition depends not only on an effective management mechanism in Germany, but also on the existence of a supportive European framework. To support the energy transition, Germany engaged in the development of the European energy policy, with its close links to environmental policy. In consequence of Germany’s diplomatic efforts, the EU energy policy aims at promoting renewable energy and de-carbonisation of the energy sector. To achieve these goals Germany has successfully pushed for Europeanisation of energy policy in Europe in the 21st century (Fischer, 2011a, pp. 65–71). Already during the German
presidency of the EU in 2007 European leaders agreed on common goals for the sustainable transformation of energy policy. By 2020 the EU is to reduce its greenhouse gas emissions by 20% compared to the value from 1990. The share of renewable energy is expected to increase to 20%, and energy consumption will also be reduced by the same percentage (the “20–20–20 targets”) (Cox and Dekanozishvili, 2015, pp. 167–183). To achieve these objectives, a number of management tools were installed at the EU level. Germany’s leaders understand well that the energy transition may be successful only if it is transferred to the European level (Fischer, 2011b).

Unsatisfied with the current state of energy security in Europe, in March 2014 Poland’s Prime Minister Donald Tusk proposed an energy union. His proposal echoed earlier proposals, such as the proposal of the government of Poland from 2006 or the Buzek-Delors initiative from 2010. The core of Tusk’s proposal was security of gas supply. He proposed that a single EU body should buy natural gas for all EU members. Second, he argued in favour of applying a solidarity mechanism if Gazprom reduces supply. Third, he argued in favour of developing the infrastructure between member states to allow for additional flows. Fourth, he advocated the use of coal and shale gas as indigenous resources to reduce dependence on external supplies. He pointed out that coal was seen as a symbol of energy security in many member states. Fifth, he argued in favour of cooperation with third countries. Sixth, he believed that EU members have to invest more in their energy security (Tusk, 2014).

Although the initial comments indicated that energy supply was given priority, differently from in 2006, the President of the European Commission Jean-Claude Juncker decided that Tusk’s proposal should be further acted on (Fischer and Geden, 2015, p. 2). In late February 2015 Vice-President of the European Commission Maroš Šefčovič published a proposal of the Commission which is the basis for further negotiations. It integrates different goals of energy policy into a single package (Ibidem). Many member states offered their own visions of an energy union. Due to opposition from energy companies and European governments enjoying good relations with Russia, the idea of joint gas purchases was declared a “non-issue” (Szulecki, Fischer, Gullberg and Sartor, 2015, p. 4). Due to the multi-dimensional nature of the term energy union, all member states supported the proposal (Far and Youngs, 2015). Germany also supports the idea, although without much enthusiasm. From Germany’s point of view the en-
nergy union may be a useful concept as far it supports the ecological modernisation of the Germany’s economy (Łada, Bastos and Speiser, 2015).

Although from the start of this century the EU had made significant progress towards a common energy policy, it is still mainly part of national competences. In the last 15 years the member states watered down some proposals of the Commission. They prefer intergovernmental over supranational cooperation. Energy diplomacy and strategic cooperation agreements remain in the hands of national governments (Aalto and Temel, 2014). The idea of energy union “can be seen as the most significant policy idea that seeks to reform European energy governance, policy and governance. However, [...] the concept is an empty box in which every stakeholder tries to put whatever is on the top of their priority list” (Szulecki, Fischer, Gullberg and Sartor, 2015, p. 2; see: Helm, 2015). The balance between three objectives of the energy policy of the EU (security of supply, competiveness and sustainability) remains open (Szulecki, Fischer, Gullberg and Sartor, 2015, p. 2).

Poland as well as Germany attempt to influence the energy union into a direction that would support their interests and current energy policy. Both of them emphasise national sovereignty in the energy sector, preferring the national interest over “solidarity” (Ćwiek-Karpowicz, Gawlikowska-Fyk and Westphal, 2013).

Conclusions

The analysis has shown that since Poland’s accession to the EU energy issues have enjoyed high priority in Polish-German relations. Despite certain similarities, such as dependence on Russian gas and oil supply as well as the traditionally important role of coal in the energy sector, both countries have developed different energy policies.

There are three main differences between Germany’s and Poland’s energy policies in the 21st century. The first one lies in their relations with Russia. Despite numerous conflicts between Russia and the consumers of its gas Russia is still Germany’s preferred partner. Germany’s governments strongly supported the construction of the North Stream gas pipeline that directly connects Russia and Germany, and the current government accepts the construction of North Stream II even though Germany supported the introduction of sanctions against Russia. On the other hand, Poland is intensively investing in infrastructure that will allow it to diver-
sify its suppliers of natural gas. The LNG terminal in Świnoujście is one of the most important investments in Poland in the last decade.

The second difference is that Germany initiated the energy transition (*Energiewende*). It prioritises renewable sources of energy, phasing-out nuclear energy and increasing energy efficiency. Germany is the world leader in de-carbonisation of the energy sector. Poland, on the other hand, is much more conservative in this regard. It expressed little enthusiasm towards prioritising environmental protection at the European level, and despite verbal warnings it achieved substantial progress in reducing CO₂ emissions. Poland is also planning to build its first nuclear power station.

The third difference is that in the last decade Poland has become the leading supporter of stronger energy cooperation in the EU. Two of Poland’s Prime Ministers, Kazimierz Marcinkiewicz and Donald Tusk, put forward plans for this cooperation – while the first one was immediately rejected, the second one became the basis for further discussions. Poland is trying to refocus European energy policy from sustainability issues towards security of supply and economic efficiency. Against the popular view, Poland’s initiatives in the energy sector are not only aimed at improving the security of supply, but also improving the economic efficiency of the energy sector in the EU. Germany’s activity in the EU concentrates, in turn, on the promotion of environmental protection and long-term transformation of the energy system. The goal is to introduce the *Energiewende* at the European level. *Energiewende* has already become a leading global German brand.

In 1991 Poland’s Minister of Foreign Affairs Krzysztof Skubiszewski argued in favour of the “Polish-German community of interest” (*Przemówienie Ministra Spraw Zagranicznych RP, 1990*). Despite substantial differences between the current energy policy of Poland and that of Germany, they should not be seen as permanent. Energy policies of both states evolve. The currently implemented investment program in Poland’s energy sector will allow Poland to diversify its gas suppliers, reduce its worries about the security of supply, introduce competition between suppliers and in consequence strengthen its energy security. Also, with technological progress, renewable energy sources are becoming interesting. Germany, in turn, has already reformed its energy sector, slowing down the development of renewable energy and placing greater emphasis on the security of supply. Despite that, however, it would be naive to hope that the differences will just disappear. But as the construction of interconnectors and cooperation in the electricity sector has shown, pragmatic and
mutually beneficial cooperation is not only possible, but also already takes place with the energy security of both states in mind.

Summary

Since the oil crisis of 1973, energy security has played an important role in international relations. In the early 21st century, the tight market, rising petro-nationalism and galloping prices opened once again the question about the limited character of fossil fuels, and the Russian-Ukrainian gas conflicts brought into question the security of Russian supply of oil and natural gas for European customers. Under these circumstances, energy security rises to become one of the key topics in Polish-German relations presently. Despite the high dependence of both states on fossil fuels, they have developed radically different energy policies. In this paper I have argued that there are three main differences between the energy policy of Poland and that of Germany. The first one is their relations with Russia. The second difference is that Germany has initiated energy transition (Energiewende), which prioritises renewable energy, nuclear energy phase-out and increasing energy efficiency. Poland, on the other hand, expressed little enthusiasm towards prioritising environmental protection on the European stage. Third, Poland’s governments took numerous steps to promote stronger European cooperation in the energy sector. Energy security is one of the priorities of Poland’s European policy. Germany, however, concentrated on promoting environmental protection at the EU level.

Keywords: Germany, Poland, energy security, energy union

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