

Foreword

I'm very happy to welcome this book based on Sandu-Daniel Kopp's doctoral thesis which it was my pleasure to supervise. The book is a welcome addition to the relatively small academic literature on natural gas issues, particularly at a time when the role of the fuel in the European energy balances is facing unprecedented challenges.

The book illustrates what I believe to be central and unaddressed contradictions – often referred to as the “energy trilemma” - in EU and national energy policies between security, liberalization/competition and sustainability/carbon reduction.

It raises important questions over whether carbon reduction targets are compatible with market-driven competition in gas (and power) industries; and whether security of supply is compatible with competitive markets. In so doing, it examines the policy trade-offs which need to be made between the three different elements, and whether these policy judgments should be economically or politically based.

This approach highlights the fundamental problem that the three major elements of EU energy policy over the past decade are incompatible in important respects, thereby challenging much of the conventional wisdom of EU and Member State policies.

Incompatibilities are illustrated by the finding that gas (and power) markets are inherently oligopolistic. Therefore the potential for competition is limited, which is well illustrated in the analysis.

Government intervention in energy markets in support of climate change is incompatible with the development of a single market. Coal is politically acceptable but environmentally damaging to carbon reduction targets. Gas is environmentally acceptable (at least in relation to coal) but politically unpopular for import-related security of supply reasons.

Given the problems in the Russia-Ukraine relationship and resulting EU and national concerns, there could hardly be a better time to publish a book on EU gas supply security.

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Case Studies of the UK and Germany

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