

Roundtable Takeaways

After the Ukraine War : Energy Security vs. Energy Transition?

School of Government, Luiss Guido Carli, Viale Pola 12, Aula 12

28 March 2023, 15.00 – 16.30 (CET)

Moderating:

- Prof. Luigi Narbone, Director of the Mediterranean Platform, Luiss School of Government
- Dr. Cyril Widdershoven, Associate expert with the Mediterranean Platform, Luiss School of Government

Speakers:

- Ms Amena Bakr, Chief OPEC Correspondent, Energy Intelligence
- Dr. Eckart Woertz, Director, GIGA Institute for Middle East Studies
- Dr. Omar Al-Ubaydli, Director of Research, Bahrain Center for Strategic, International and Energy Studies (Derasat)
- Leon Stille, Managing director, New Energy Institute

Special thanks to the Associate Junior Researchers of the Mediterranean Platform, Luiss Guido Carli:

Giovanni Maria Barlotta ; Mikhail Giovannelli ; Meraf Villani

Introduction

Over the past year, Europe's energy markets have known their worst crisis in decades. The rapid phasing out of Russian gas triggered by Moscow's aggression of Ukraine has brought the issue of energy security to the fore. The crisis has also started to reshape the relationships between Europe and oil and gas producing countries in the Middle East and North Africa (MENA), as the latter appear increasingly central to Europe's strategy to find alternatives to Russia as a key energy provider.

However, Europe has also engaged on the path towards energy transition as it needs to implement its Green Deal strategy and fulfil its commitments to de-carbonization in the medium to long-term. Emphasis is being put on renewable energy sources. Similarly, many countries in the North Africa, the Middle East and the Gulf start to see green energy as important to fight the adverse effects of climate change in the region as well as a key component of their economic diversification strategies.

How is the imperative of securing energy supply likely to impact Europe's energy transition? Is a long-term partnership on renewables possible between Europe and the MENA region? How can Europe's and MENA countries' perspectives combine on energy supply and energy transition?

Eckart Woertz

- Europe or Germany will need to replace gas.
 - o Europe is increasing imports from US
 - o Qatar and Algeria can also play a role here
 - o Germany will rely on gas from elsewhere

How are the Gulf countries reacting?

- Gulf states feel a little vindicated
- For years, they have been highlighting the importance of energy security
- There was a heavy reliance on Russian gas
- Germany was in crisis and started burning more coal
- Renewable energy still cannot meet all energy demands and countries have to be working in parallel
- The direction being should invest in technologies that make cleaner oil and gas
- COP 28
 - o Almost every Gulf country aims to have net zero by 2050 and 2060
 - o This is not really an energy transition but an energy addition

What is the picture in the Gulf?

What is the pace of change that is happening? Could green energy be the future?

- The EU has gotten itself in a philosophical bind
- It considered itself secure
- It's going to have to develop its defense capability
- Its going to have to find alternative sources for gas

- The EU is not known for its adaptability because of the complexity of its institutions
- Renewable energy is now starting to be perceived as necessary elements for economic prosperity
- There is increasing investment in hydrogen and solar desalination
- They are allowing the Gulf to start developing their renewable energy sector and technology
- The EU needs energy much more quickly than before
 - o Perhaps there may be a need to expand the networks and grids
- There needs to be more trust
 - o The EU has not trusted commitment of the Gulf to renewable energy
 - o The Gulf has not trusted commitment of EU towards them
 - o But there is a desire to develop good relations for economic and security purposes
 - o There needs to be goodwill gestures
- There is a lack of knowledge on the GCC side of Europe and EU institutions and this is reflected in their demands
- There are many centers in Europe studying the MENA region but not vice versa.

Leon Stille

- Security has become a key issue in light of the Ukraine War.
- Once the supply chain was disrupted, there is a problem
- If there was more decarbonization, the issue would not have been so severe as it was
- There is a question, there is a need to decarbonize and another to have energy security

Cyril Widdershoven

- Energy security was already an issue before the Ukraine War as the prices were still rising
- The war accelerated this process.

The recent developments in Egypt, Israel, Cyprus

Amena Bakr

- The GCC countries are the ones with funds.
- The amount of time, money, and effort required to go into the East Mediterranean is very high and produce oil and gas is aspirational
- When there is demand for oil going up, you will see constriction in the output once again.

Omar Al-Ubaydli

- Nobody is yet convinced about the reliability of hydrogen or long-term costs for its production.
- The uncertainty around it makes hydrogen an uncharted territory.
- Europe should reactivate their nuclear power plants.

- Europe has painted itself into a corner in terms of having energy security.
- It is insanity that Germany would burn fossil fuels rather than reactivate their nuclear power plants.

Eckart Woertz

- A future of renewable
- There are problems in nuclear energy
 - o Insurance
 - o Storage
- Countries in the EU have different situations that result in different interests and priorities.
- It is conceivable that you see a major leap in the next 10 – 20 years
- The Energy Union in EU has significant power and is a unified regulatory framework

Leon Stille

- The energy transition is not necessarily an economic transition
- Energy transitions will disrupt economies
- The Netherlands has a heavy reliance on gas
- No one will meet the obligation but each country will make its own path towards that
- Its probably going to be improving the current options of electricity, solar energy, hydroelectricity

There is a lot of benefit and opportunity in cooperation between experts

There needs to be an exchange of researchers