

How the EU navigated the energy crisis and renewed its commitment to net zero

*Russia's invasion of Ukraine produced the biggest energy shock to Europe since the 1970s oil crises. **Robert Falkner** writes that while the energy crisis is far from over, the EU's strategic decoupling from Russia and commitment to tackling climate change has progressed to such an extent that Moscow is close to losing its energy stranglehold over Europe.*

Russia's invasion of Ukraine in 2022 caused the biggest energy shock to Europe since the oil crises of the 1970s. In the immediate aftermath, European leaders [grappled with the need to reduce dependence on Russian fossil fuels](#) while softening the economic fallout from skyrocketing energy prices.

Only a few weeks after the invasion, the EU embarked on a comprehensive programme to reduce energy consumption, replace Russian energy supplies and accelerate the green energy revolution. One year later, significant progress had been made in decoupling Europe's economy from cheap Russian energy. Europe avoided a major energy crunch, but this came at considerable cost. Inflation in 2022 soared above 10 percent while economic growth petered out.

The energy shock of 2022 has also turned into a moment of truth for Europe's climate policy ambition. To replace Russian energy with alternative supplies, European leaders decided to increase coal shipments from abroad [while building new infrastructure for importing liquified natural gas](#) (LNG).

Both moves called into question the EU's repeatedly stated goal of accelerating its switch away from fossil fuels. Indeed, European greenhouse gas emissions went up in the first six months of the war, mainly due to increased coal consumption. At the same time, however, European leaders reiterated their commitment to decarbonising the economy and presented the war as an opportunity to advance energy and climate security.

Countering Russia's weaponisation of energy

The war in Ukraine laid bare the strategic blunder at the heart of Europe's energy policy – its long-standing dependence on Russian supplies. With Moscow weaponising its dominant position in Europe's energy system, European leaders had little choice but to wean Europe off its addiction to cheap Russian gas and oil.

Following the outbreak of the war, the EU began to weaponise its own position as the largest market for Russian energy exports. After imposing a ban on coal imports from Russia, effective from August 2022, the EU introduced an embargo on seaborne Russian oil imports starting in February 2023. Together with the US, other G7 countries and Australia, the EU also imposed an unprecedented price cap on Russian oil exports to other parts of the world.

In May 2022, the EU launched [REPowerEU](#), a comprehensive plan to eliminate Europe's dependence on Russian gas and make its energy system more resilient to external pressure. To contain the energy crisis, European governments had to take some politically controversial decisions early on: Germany, France, Austria, Italy and the Netherlands announced that they would extend or reactivate coal-fired power plants to replace Russian gas in electricity generation. The German government also extended the lifetime of several nuclear power plants that were set to be decommissioned.

At the same time, European governments rushed to secure alternative supplies of energy, mainly from North America, North Africa and the Middle East. Given the urgency of the task, European leaders could not be choosy about where to source new energy imports from, even if it meant entering into long-term energy deals with authoritarian regimes in the Middle East.

Replacing natural gas from Russia proved more difficult than replacing oil and coal. Building new pipelines to alternative gas sources normally takes years, and several key European countries lacked sufficient terminal and storage infrastructure for importing LNG. The speed with which European governments went about addressing these bottlenecks surprised many observers.

Germany, which had no existing capacity to import LNG, decided to build several port terminals from scratch. Despite the country's reputation for lengthy and bureaucratic

planning processes, the first such LNG terminal in Wilhemshaven was completed in record time. Built in under 200 days, it started operating on 17 December 2022, with more LNG terminals to follow.

Europe's drive for energy independence from Russia has proved costly but advanced more quickly than originally anticipated. Oil and coal imports from Russia are down to nearly zero, while the flow of Russian gas through the pipelines network has been substantially cut. Moscow has already lost much of its stranglehold over Europe's energy network and is now suffering from a ballooning fiscal deficit.

Renewing commitment to net zero

In the first few months after the invasion, when European governments scrambled to secure alternative fossil fuel supplies, experts predicted a major setback for the EU's net zero strategy. The reopening or extension of coal-fired power plants and the building of new infrastructure for LNG imports seemed to suggest that, far from accelerating the shift away from fossil fuels, Europe was [willing to delay the net zero transition in a bid to wean itself off Russian energy](#).

However, this pessimism was misplaced. A temporary increase in coal usage initially drove up emission levels, but the combination of a warm winter, effective demand management and energy savings in industry led to an overall decline in Europe's emissions. According to [IEA estimates](#), the continent's energy-related emissions fell by 2.5 percent in 2022, with sharply reduced natural gas emissions counteracting increases in emissions from the burning of coal and oil.

More importantly, the Ukraine war did not reduce Europe's determination to push ahead with its net zero climate strategy. Far from it, Russia's military aggression seems to have galvanised European policymakers to accelerate the decarbonisation drive. In March 2022, [the European Commission declared unequivocally](#) that "following the invasion of Ukraine, the case for a rapid clean energy transition has never been stronger and clearer".

While international climate cooperation has suffered several setbacks due to the war in Ukraine, international support for the Paris Agreement has so far held up, and the international climate regime is flexible enough to withstand temporary crises. The more

difficult question is whether the main climate great powers can transcend at least some of their fundamental differences and carve out a niche for continued multilateral cooperation on the climate threat.

A turning point

The dramatic U-turn in Europe's energy strategy following Vladimir Putin's war of aggression has proved costly and disruptive to Europe's economy, fuelling inflation and bringing economic growth to a halt. However, against expectations, the continent managed to prevent an energy crunch in the winter of 2022–23.

Russia may have been able to weaponise its role as Europe's single largest fossil fuel supplier, but in doing so it lost its energy stranglehold on Europe. The energy decoupling that started in 2022 is likely to mark the biggest turnaround in Europe's relationship with Russia since the end of the Cold War.

And while in the short run Europe's push for energy independence and security threatened to undermine its climate strategy and reputation as a global climate leader, in the long run, energy security and climate policy have proved to be mutually supportive. The Ukraine war has galvanised European leaders to reaffirm their commitment to net zero and accelerate their decarbonisation efforts. Driving down reliance on fossil fuels should thus be seen as the single most important tool of Europe's energy security strategy.

For more information, see the author's accompanying paper at [LSE Public Policy Review](#), which will be included in a forthcoming book, [Ukraine: Russia's War and the Future of the Global Order](#) (LSE Press, 2023).

Note: This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics. Featured image credit: [Rudmer Zwerver/Shutterstock.com](#)
