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Mastering energy transitions: a Franco-German project for growth

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Abstract :

If, to lay the foundations of the European Community of Steel and Coal (ECSC), the founding fathers of Europe had waited for the steelworks belonging to the Krupp family and the Creusot foundries to decide of their own accord to work closer together, the European Union would simply not have been created. Even today an ambitious European energy strategy cannot materialise unless it is supported by France and Germany. A political agreement is indeed necessary given the complexity of the market and the interplay of both public and private factors. Energy strategies in France and Germany have remained far too national, sometimes going as far as to diverge, which makes no sense in the context of European integration. The resulting incoherence has prevented the pooling of industrial investments at the very moment European energy markets are increasingly integrated and European industrialists are at risk of being outrun, both technologically and commercially, by their foreign competitors.

On the occasion of the 50th anniversary of the Elysée Treaty France and Germany have tried to renew energy cooperation admitting that they face similar challenges in terms of energy transition and that they would have everything to gain by working together to rise to those challenges. Ideas were put forward which should be clarified, completed and made into a reality. Indeed there is a rare opportunity for a vast bilateral cooperation project consistent with the two countries' responsibility towards Europe. The objection over the disparity of energy choices between France and Germany, in terms of electricity production could be solved if we acknowledge that the markets and issues associated with energy transition extend beyond our national borders. Basically this means having quite an ambitious political vision of the constructive, coherent governance of energy transition.

It is audacity which provides policy with impetus. It drives history forward and determines the future. Robert Schuman's declaration on 9th May 1950 is a fine example of this. His project to found a European Community of Steel and Coal was the foundation stone of the European Union. Coal and steel were the first engines for the peaceful development of Europe. What kind of audacity do we need today to shape the future? When considering our planet's future it seems that one of the biggest challenges it faces will be mastering energy. In spite of their different choices in terms of energy mix, is it possible for France and Germany to launch a major project in this area? Would the launch of a project like this revive industry in France? And as in the time of the ECSC, can Franco-German cooperation guide energy transition to the advantage of Europe?

1. In Germany renewable energies represented 382,000 jobs in 2011 (source: M. O'Sullivan, D. Edler, T. Nieder, T. Rüther, U. Lehr, F. Peter, *Bruttobeschäftigung durch erneuerbare Energien in Deutschland im Jahr 2011*, http://www.erneuerbare-energien.de/fileadmin/ee-import/files/pdfs/allgemein/application/pdf/ee_bruttobeschaeftigung_bf.pdf) against 94,500 in France in 2010 (source: Agence de l'environnement et de la maîtrise de l'énergie, quoted in V. Boulanger, « Energies renouvelables : le retard français », in *L'Energie autrement*, Alternatives Economiques Poche n° 054 - February 2012).

1. FRANCE AND GERMANY HAVE AN OPPORTUNITY TO RENEW THEIR POLITICAL AND INDUSTRIAL COOPERATION IN THE ENERGY INDUSTRY

1.1. France and Germany share the same goals for the future

The differences between the French and Germany energy policies are often referred to, notably the importance of nuclear energy in France, with its favourable impact on electricity prices and CO2 emissions in contrast with Germany's lead in the development of renewable energies [1]. However both France and Germany have set goals to reduce the share of nuclear produced electricity, which implies similar efforts on both sides: the share of nuclear produced electricity is supposed to fall from 75% to 50% by 2025 in France,

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whilst Germany is aiming to reduce from a present 22% to total abolition by 2022. The aim thus consists on both sides in the same type of reduction. Moreover both countries have defined ambitious goals for the development of renewable energies and energy savings in order to respect their European and international environmental commitments.

The achievement of these goals demands an active industrial policy in both countries for the implementation of long-term investments that are necessary for energy transition. At the same time France and Germany are both eager to limit any increases in energy bills, which is a sensitive issue on either side of the Rhine.

1.2. Objectively both France and Germany have an interest in renewing their cooperation in terms of energy

Cooperation between France and Germany has hardly moved forwards over the last few years. From an industrial point of view we might even speak of a decline, after the divorces between Areva and Siemens and then between EDF and EnBW, as well as the lack of political consultation over the extension and then the closure of German nuclear power plants. In the area of renewable energies, subsidies and calls for tender have not been coordinated, with the approach to industry remaining largely national in spite of the establishment of a Franco-German Bureau for renewable energies [2]. Coordination is mainly undertaken as part of the EU framework together with other Member States (energy-climate package, coordination group on electricity).

However cooperation between France and Germany is necessary now more than ever before, not just because of their common goals, but also in view of joint constraints, which justify the pooling of resources:

- to remedy their intermittent nature renewable energies have to be completed with baseload supply whose environmental impact has to be limited and which have to guarantee a return on investment;
- to limit the use of these "back-up" energies, the electricity system demands a great deal of adaptation in terms of its storage and network management capabilities;
- European industrialists face heavy foreign competition in the development and marketing of the technologies required for energy transition;

- the negative impact of France and Germany's diverging strategies and in contrast the potential advantages of a joint approach have increased due to the progressive integration of the European energy market;
- the economic and budgetary context makes private and public investments, whilst limiting acceptable price increases for the consumers, more difficult.

Furthermore the revival of Franco-German cooperation will answer industrialists' expectations. They are trying to develop activities on either side of the Rhine in a bid to strengthen their trade and industrial bases. Moreover the European Directive on renewable energies encourages this type of cooperation between two countries or more and possibly with private operators[3]. This cooperation might notably take the shape of the cofunding of projects or of a common aid regime to support the production of renewable energy.

2. THE SUCCESS OF AN AMBITIOUS, JOINT STRATEGY SUPPOSES THAT CERTAIN CONDITIONS ARE MET

2.1. France has to win back the confidence of its German partner

No ambitious project for the revival of energy cooperation can really take shape if it is not founded on the mutual confidence of both countries. However the present context reveals a relative mistrust on the part of Germany as far as French economic and European policy initiatives are concerned. This mistrust focuses on several issues.

The decline of French competitiveness

Germany is worried that France will not be able to reform its economic and social model sufficiently[4], because this might perpetuate the current account and also the public account deficit. Indeed if the financial markets begin to doubt about this, in the ilk of Spain and Italy, France may witness significant rises in its interest rates. The French debt would then become unsustainable, because the interest burden would be enough to cause a significant rise in the public deficit. France can only dispel this possibility if it can prove its credibility amongst investors but, in the opinion of some, it seems rather fragile. Now if we consider this

2. This association aims to foster the exchange of information between Franco-German players involved in renewable energies.

3. The Directive 2009/28/CE of the European Parliament and of the Council of 23rd April 2009 on the promotion of the use of energy from renewable sources, article 7.

4. On this point see the article by Ulrich Krotz and Joachim Schild, two German academics, specialists in Franco-German relations, « Le déclin de la France, une menace majeure pour le couple franco-allemand », *Le Monde*, 22nd January 2013. More generally we refer to their work *France, Germany, and Embedded Bilateralism from the Elysée Treaty to Twenty-First Century Politics* (Oxford University Press).

from Berlin's point of view, France is the last domino preceding it. As summarized by Charles Wyplosz "this might then be the end of the euro because France is too big; France might take Germany with it if per chance it tried to save France[5]." Whether this concern is justified or not – it is very much alive in Germany which believes that the only way France can protect its credibility is to show that it can reform, which in turn will enable it to recover its competitiveness.

The French government has tried to provide certain guarantees. In terms of public finance François Hollande has announced that he intends "to make savings without weakening the economy." The government has committed to bringing the deficit down to 3% in 2013, by raising VAT slightly (0.4 percentage points), increasing taxes on high incomes and on large businesses, as well as reducing public spending (equal to 0.6 GDP points per year)[6]. In terms of competitiveness the government has announced measures based on proposals included in the "Pacte pour la compétitivité française" drafted by Louis Gallois. This report notes that there has been true decline resulting from a loss of overall competitiveness in the areas of services, energy, public policy, public finances, infrastructures, training, research and in the labour market. On this latter point a recent agreement between social partners on the reform of the labour law is a positive sign. But it is not enough to dispel concern about the deindustrialisation of the French economy: industry in France only represents 12.6% of the GDP and 13% of employment. Many observers blame this decline on an increase in labour costs that have been faster than productivity gains in French industry. Hence the unit labour cost – which means the ratio between employee remuneration and labour productivity – increased by nearly 20% between 2000 and 2010 in the French manufacturing sector whilst it declined by 3.7% over the same period in German industry. In order to converge points of view and to develop joint initiatives the mission granted by the French and German governments to Jean-Louis Beffa, the former head of Saint-Gobain, and Gerhard Cromme, Chairman of the Thyssen-Krupp and Siemens Supervisory Boards, could be extremely useful. It will be completed by a consultative working group including both French and German social partners.

Nevertheless it is clear that any Franco-German industrial energy project will be assessed cautiously by Germany, which will want to ensure quite strictly its industrial viability and its economic credibility.

German doubts about French voluntarism

Germany also fears that France is making political declarations, which are then followed by paltry effect. This concern is particularly strong regarding industrial policy since Germany fears that pro-active discourse on the part of French leaders is masking a lack of real resources or a bid to protect "lame ducks" (which economic literature calls "picking losers"). In this regard it is important to note the difference between the nature of political debate on either side of the Rhine: whilst industrial discourse in France is largely introverted, focused on the fear caused by deindustrialisation and on the criticism of globalisation, it is extroverted in Germany, where economic and social debate is totally directed towards the priority given to exports and boosted by the pride in its commercial successes.

The German government is also cautious because France's discourse in the area of energy echoes its initiatives in terms of its European policy. Indeed France defends a fiscal policy of the euro zone that is based on loans designed to fund investments (an experiment that is on-going at present at EU level as part of the "project bonds" initiative). But although the EU approved a Growth Pact, the German Chancellor is still reticent about issues involving fiscal union, as long as it involves the pooling of the debt. Again and quite legitimately, Chancellor Merkel wants to be able to justify that German taxpayers' money is being well spent before launching into European projects with a fiscal dimension.

2.2. France must sharpen up its energy strategy

Apart from the issue of the credibility of the French economic policy it is vital for France to sharpen up its energy strategy. Germany has already committed to a revised energy concept, whereas France in the wake of the premises of the "Grenelle de l'Environnement" has only just started its national debate on energy transition. The German government will only be able to make its own opinion about France's intentions once this debate has really moved forwards.

5. « La France est-elle vraiment l'homme malade de l'Europe ? », *Telos*, 21st November 2012.

6. Economy and Finance Ministry, « *Projet de loi de finances pour 2013: Solidaires et responsables pour une France plus juste* ».

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Germany's choice in support of energy transition

Fifteen years ago Germany launched a national energy transition policy. This policy is backed by an energy concept targeting 2050. The three pillars of this concept are the improvement of energy efficiency, the use of renewable energies and the adaptation of networks in terms of their structure and their management. The first draft planned for the extremely progressive relinquishment of nuclear energy. Following the Fukushima catastrophe in March 2011 Berlin decided to step up this development at the price of an increased, but provisional use of conventional energies.

In Germany the share of nuclear electricity is well below that of France. Hence the electricity mix is five times higher in carbon than in France. But other details lean towards Germany's advantage: there is a wide range of export industries in the renewable energies sector, a rigorous budgetary management which enables long term investment, a working method at the service of an ambitious energy concept.

From a systemic point of view Germany is therefore a pioneer on the path towards energy transition. It is an important political choice. Its industrial strength allows it to do this. It is aware of the challenge that this represents but it intends to take advantage of it. The Germany energy transition concept is also coherent, because it includes every aspect of this development: political, industrial, structural, financial, legal. The main strength of its mode of action is that it relies on three fundamental qualities: innovation, realism and method. Under these circumstances France has two options: either to compete or to create Franco-German cooperation which would encourage our industrialists and would also pave the way for new progress in the European energy project.

A still uncertain French approach

The French authorities have a wide range of perfectly documented studies at their disposal, which they have often ordered the drafting of themselves.

Firstly the study *Electricité 2030*[7], undertaken on the initiative of the French Electricity Confederation (Union française de l'électricité), presents modelisation results to guide political choices in terms of the climate, society, economy and finance, which have to be considered coherently. Hence it describes three pos-

sible electricity mixes based on nuclear shares of 70%, 50% and 20%. Without pretending to a global synthesis, four conclusions may be extracted. The first shows that in all events, because of the investments required an increase in electricity prices is inevitable. The second notes that the share of 70% already anticipates a share of renewable electricity above the "Grenelle goals". The third points out that the efforts to control energy cannot compensate – even in part – for an exit from nuclear energy on the horizon of 2030. The fourth reveals that in the case of the 20% scenario, there would be a threefold increase in CO2 emissions due to the effort required to catch up on electricity production.

Second, the *Commission Energies 2050*[8] report covers all energy issues. It was ordered in October 2011 by the Ministry of Industry and the report was delivered at the beginning of 2012 – it can be consulted on the site of the Ministry for Sustainable Development. Although a 500 pages thick document, it reads like a novel. Below we summarise the industrial aspect only. As the Gallois report indicates, one of France's only assets in terms of competitiveness is the price of electricity. France owes this asset to past investments in the nuclear branch and its competence as leader opens the door to the world market. It is vital to protect this branch while fully respecting safety requirements. However the Gallois Report notes that the development of renewable energies is a necessity in all countries. France must position itself. The *Commission Energies 2050* recommends the selection of branches in which our comparative advantages prevail, particularly in terms of hydro power (Africa only uses 10% of its potential resources and China 27%); off-shore wind parks (which could exploit our experience in foundation works); the storage and management of networks (to master the intermittent nature of renewable energies); the energy efficiency sector.

Third, the *Eolien et Photovoltaïque*[9] report written on the initiative of the new government focuses on two means of renewable energy production. However the authors were obliged to place their subject within an overall framework including questions on investment, prices, performance and capacity. From a technical point of view the study addresses the issue of inter-

7. Study *Electricité 2030 – Quels choix pour la France ?* UFE/2012.

8. *Rapport Energies 2050 de la Commission présidée par MM. Jacques Percebois et Claude Mandil, sollicité par une lettre de mission du ministre chargé de l'industrie, de l'énergie et de l'économie numérique, et remis en janvier 2012.*

9. *Rapport Eolien et Photovoltaïque : enjeux énergétiques, industriels et sociétaux, rédigé sur la demande des ministres du Redressement productif et du Développement durable, et remis en septembre 2012.*

mittent production, covering integration, storage and back-up. On a structural level it mentions the choice of implantation from a national, regional and local point of view. It is significant that this study recommends the development of these two branches as part of a Franco-German cooperation agreement[10].

2.3. France has to define its energy transition method

As it is the case for the definition of the final goals, Germany leads over France as far as steering its energy transition is concerned. In view of joint work it is now important to define the direction of this in France.

Monitoring and Steering Organisations in Germany

Based on its 2050 energy concept and taking into account a wide range of laws that have already been passed in support of energy transition, the German government has defined a rigorous set of structures and methods that are based on project management rules. Firstly energy transition is deemed as central to government policy in which all ministries must cooperate according to their own specific responsibilities. Moreover the leading role held by the federal government was strengthened over the regions to ensure vital coherence, in terms of production capabilities and network adaptation.

Extreme care has been given to maintaining cohesion between the various players involved. With this in view one of the main instruments is the "renewable energy platform" established on 25th April 2012. The Environment and Economy Ministries respectively ensure the Presidency and Vice-Presidency of this platform. It convenes federal government, regional, town and community representatives, businesses and federations from the renewable energy sector, as well as transport and distribution service providers. Also included in this organisation are the trade and industry associations, conventional energy producers, associations for the defence of the environment and nature, consumers, as well as the best experts from each sector.

The German platform comprises a board and three working groups[11]. The first group is responsible for the integration of renewable energy in terms of systems and the market; it also takes in charge the

necessary adaptations of the EEG-2012 law regarding renewable energies; a second group is responsible for development with the aim of respecting the economy and the environment; the third group is responsible for production, i.e. for guaranteeing, via the flexible management of resources, both environmental safety and financial accessibility. The three working groups rally all opinions and competences together. Moreover it brings them together in a visibly dynamic system that targets the achievement of results.

The "renewable energies platform" issues recommendations; if these involve the government, implementation decisions are taken at a federal or ministerial level. Moreover the German government has established an energy transition monitoring body. This body responds to rigorous audit and expertise criteria. It will write an annual report on the state of progress in terms of energy transition as well as a summary report every three years (the first being in 2014). Its aim is to act as an early warning system to adjust the 2050 energy concept and take the necessary corrective measures as early as possible.

The French Road Map

Of course for the time being France has not yet modified its energy concept as radically as Germany has. The studies quoted above do look into possible developments however. The *Commission Energies 2050* aimed to support the preparation of the *Programmation pluriannuelle des investissements (PPI)* (Multiannual investment programme) mid-2013 and to support the extensive consultation of the players involved in the energy sector. This consultation project, which is open to all possible energy issues[12], is undeniably part of the roadmap that emerged after the environmental conference in September 2012. Likewise the target of the roadmap of a programme law in June 2013 is not different from the deadline initially anticipated for the PPI.

By that time the existing institutions will fulfil their regulation role notably the *Commission de régulation de l'énergie* (Energy Regulation Committee, CRE) together with the corresponding national and European institutions[13]. But it is clear that the investors are expecting greater stability in terms of the measures and regulations[14].

10. cf. les recommandations 20, 21 et 22 de ce rapport.

11. Un groupe de pilotage (Steuerungskreis BMU / BMWi), et trois groupes de travail ainsi dénommés: « Conditions », « Réalisation », « Interaction » (AG 1 „Rahmenbedingungen“, AG 2 „Ausbauplanung“, AG 3 „Interaktion“).

12. The letter by the *Commission Energies* quoted in particular nuclear energy, renewable energies, energy efficiency, security of supply, financial accessibility, environmental protection, societal aspects.

13. On a European level the ACER (Agency for the Cooperation of Energy Regulators). In Germany the BNA (Bundesnetzagentur).

14. Cf. recommendation number 15 in the report *Eolien et Photovoltaïque*.

2.4. Convergence is possible

France still has to define its strategy and the direction of its energy transition, it also has to show that it can be a stable, credible industrial partner. However it does not lack assets. From this standpoint France's existing capabilities in the nuclear sector offer room to manoeuvre which can be invested in the renewable energy sector. France also has an excellent training framework for engineers and researchers. It has to be fully exploited. Finally France has a good hand in a range of industrial sectors: hydroelectricity, electricity networks, off-shore wind parks, thermic solar power, performant solar panel as well as biomass.

Respectively and although the Germans deny this, they have learned a great deal from "Colbertism". The introduction of their energy concept is the illustration of a discreet economy policy which helps research, supports industrial branches, organises networks and shapes the legal framework. Although the national energy options of both countries do not have to be the same, political involvement is needed to insure coherence since in this competitive universe, we cannot hope for the spontaneous collaboration between our respective business sectors. Moreover the energy sector requires a long term vision. It is a system the design of which is eminently political because it requires the harmonisation of a great many elements. If we want to create Franco-German cooperation in this area we must want it on a political level.

3. FRANCE AND GERMANY MUST DEFINE THE METHOD AND THE AREAS OF APPLICATION OF THEIR COOPERATION

The 50th anniversary of the Elysée Treaty on 22nd January 2013 enabled France and Germany to put energy first in terms of their future cooperation projects.

3.1. The initiatives announced on the occasion of the anniversary of the Elysée Treaty

At the anniversary of the Elysée Treaty the French and German governments expressed a common objective: "We are determined to succeed in term of energy and ecological transition in both countries and to work together to deploy renewable energies, to step

up energy efficiency, to develop new technologies, to introduce new modes of funding investments and to develop the internal energy market. We must resolutely move towards a true European energy policy. This is how we shall maintain our position in the global competition and that we shall help towards fighting global warming[15]."

The paragraphs of the declaration of the Franco-German Ministers' Council (CMFA)[16], which lay out these joint intentions, indicate that the issues at stake have been taken on board. Both countries state that they will cooperate in areas as diverse as renewable energy, the storage of energy, intelligent networks, the capture, transport and storage of carbon and even interconnections – both electric and gas. The means to achieve this are still relatively unclear except for two things:

- the development of joint positions at EU level (that still have to be defined, which will be the hardest part) and the pooling of prospective analyses of electricity production capabilities and cross border flows;
- the instruments of public funding that can be mobilised for joint projects: European project bonds and cooperation between the *Caisse des Dépôts et Consignations* and the *Kreditanstalt für Wiederaufbau (KfW)* as far as energy renovation and efficiency are concerned.

3.2. Similar deadlines might lead to a more detailed definition of these initiatives

Since the 2000 the EEG (*Erneuerbare Energien Gesetz*) regulates the integration of renewable energies into the German system. It is deemed that between 2000 and 2010 the introduction of the EEG laws has led to a threefold increase in electricity produced by renewable sources with this rising from 6.3% to 17%. It has been demonstrated that they act as factors of growth and employment. The most recent edition in June 2011 of the so-called EEG-2012 is the focus of major amendments that are to be finalised in May 2013. In parallel, the French government's roadmap anticipates the tabling of a programme bill on energy transition in June 2013. The legislative timing of these two events should encourage France to follow work undertaken in Germany very closely. Given Germany's experience they might be a source of information and method.

15. 50ème anniversaire du Traité de l'Élysée - Déclaration de Berlin (Berlin, 22/01/2013), <http://basedoc.diplomatie.gouv.fr/exl-doc/FranceDiplomatie/PDF/bafr2013-01-22.pdf>

16. 50ème anniversaire du Traité de l'Élysée - Déclaration du Conseil des ministres franco-allemand (Berlin, 22/01/2013), paragraphes 34 to 40, <http://basedoc.diplomatie.gouv.fr/exl-doc/FranceDiplomatie/PDF/bafr2013-01-22.pdf>.

3.3. Thoughts about method

If there is one thing that the successive Elysée Treaty anniversaries have taught us it is that this too often remains a formal exercise, with both governments agreeing on the political communication at the time of the event without really agreeing what really needs to be done.

True determination for Franco-German cooperation in the energy area supposes a change of method otherwise the ambitions that were declared once again on the 50th anniversary may never become a reality.

All too often both countries work alongside one another and only start to debate joint projects once they have decided the most vital parts of their own strategies according to their own national interests. To avoid this mistake, Franco-German relations in the energy area should be more institutionalised so that they become more permanent in nature. For example we might anticipate the creation of a Franco-German unit within the ministries responsible for energy policy modelled on the one created in 2011 in the economic domain. It would involve permanent members and also correspondents within the civil service, regulation committees, industry and civil society notably employing the network established as part of the Franco-German Bureau for renewable energies. This Franco-German unit will enable the preparation of working, technical or policy papers of common interest.

Indeed it is only by agreeing on a working method with a common goal towards energy transition that France and Germany will be able to bring several years of misunderstanding and divergence to an end.

3.4. What might be possible

In view of defining the real content of their cooperation France and Germany should define together joint initiatives which would lead to cost reductions for the consumer as we move towards energy transition; it would help establish competitive industrial branches worldwide and to achieve international environmental goals and at the same time guarantee the acceptability and viability of these initiatives.

There are a great number of possible types of cooperation, which might involve other pertinent European partners:

- for the development of the industrial offer (consortia of businesses with complementary competences, joint ventures to facilitate technological developments, joint research projects and joint responses to calls for tender funded by the EU budget) ;
- for the deployment of energy policies (planning of energy production requirements, the launch of joint calls for tender, coordination of raw materials' supply, exchange of best practices between towns and regions as part of twinning operations, cooperation between regulators);
- for the development of a coherent regulatory framework (common standards – for example for the recharging of electric vehicles – the harmonisation and stabilisation of renewable energy support systems, the preparation of joint positions in Brussels).

For each of these types of cooperation both countries should clearly identify areas in which they might work, explaining their added value, their working methods as well as an implementation timetable. Below are some examples of areas of implementation that deserve to be considered – several of which were selected on the occasion of the 50th anniversary of the Elysée Treaty –(without any order of priority):

- off-shore wind parks (where the technological and operational difficulties to be overcome are still numerous, for example linking up to the network);
- solar energy (assessment of the pertinence of consolidating European industrial capabilities in the solar energy area in view of achieving critical mass to be able to compete against the Chinese, invest in the development of innovative technologies and also to involve existing SME networks);
- the development of new generation turbines and boilers;
- the development of bio-energies and cogeneration;
- clarification and planning of the investments required to palliate the intermittent production and the unpredictability of renewable energies (notably hydropower and gas);
- the energy performance of buildings (where the energy saving potential is great);
- smart grids and smart meters;

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- planning, funding, construction, interconnection and use of electricity and gas transmission networks with France and Germany's European and extra-European partners;
- electricity storage and the link between electricity and transport (research, standards and infrastructures), notably regarding the electric car;
- the training of engineers and technicians which will enable the realisation of the energy transition;
- the dismantling of nuclear power stations.

In preparation of the future timetable, working groups might be put together for each of the branches selected so that cooperation methods can be defined; this would involve the main players (industrialists, civil service, regulators, communities, representatives of civil society and academics, organisations which can provide funds both nationally and on a European level).

CONCLUSION

Energy is not an easy domain in terms of Franco-German cooperation. However the European energy project will not really progress if Paris and Berlin cannot agree. This agreement has to be established beyond our differences, i.e. in the full knowledge of our respective assets, but in full respect of our final common goals. In terms of these final goals this means confirming the role of an effective Europe in the area of energy transition, within a globalised economy. In terms of objectives it means the creation of a stable framework to

foster long term investments, achieving critical mass in the international arena. In terms of the concept, we have to undertake realistic energy transition projects that are based on innovation, competitiveness and the conquest of export markets. In terms of our method we have to establish real, sustainable instruments that can support regular dialogue and the design of joint projects. From a legislative point of view we have to guarantee bilaterally and on a European level, the compatibility of our systems from a structural, normative and financial point of view. The anniversary of the Elysée Treaty offered an opportunity to revive Franco-German cooperation in the energy area. We now have to define it and make it a reality for the long term.

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