Forum: European Parliament

Issue: Strengthening European Energy Independence and Reducing Reliance on External Suppliers

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Introduction

Historically, Europe has been consistently exposed to oil supply shocks. After the Second World War, it outsourced much of its energy needs, relying on oil imports from various regions. This has consistently proven to be an issue. The issue was deeper entrenched over time as diversification shrank, causing Europe to increasingly depend on Russian oil exports in particular; its natural gas pipelines were cheap and accessible. Oil crises in the late 20th century demonstrated Europe's exposure to supply shocks, and made its external reliance on imports a key issue, especially as Russia increasingly created unfavourable diplomatic conditions (i.e. the annexation of Crimea in 2014).

When Russia launched its full-scale invasion of Ukraine in February 2022, it triggered the worst European energy crisis in decades and tore apart the European Union's policy of maintaining a status quo. The bloc needed to reaffirm the sovereignty of Ukraine and denounce the invasion, but at the same time, it was reliant on the cheap, abundant gas and oil that Russia offered. Ending that dependence would take enormous effort and many years to put in effect, but supporting Ukraine was an immediate priority for the EU. This forced the European Union into a scenario where they had to devote resources to Ukraine, and face retaliation from their dominant energy supplier, while at the same time restructure their entire energy supply chain and switch to ultimately less affordable alternatives.

Since then, many initiatives have been launched and strategies have been coordinated with the aim of securing alternatives for the EU's significant energy demands. However, the structural problem is still present, and significant. As the EU cut itself off from Russian pipelines, it created dependencies on other external suppliers. Today, Norway and Algeria are the largest direct pipeline gas suppliers to the EU, and are both well outside the bloc's sphere. The bloc also relies on US Liquefied Natural Gas (LNG)

for half its LNG, and China for nearly 100% of its rare earths and minerals, used to develop clean energy programs. This has preserved those historical concerns about security, and dependence. The recent crisis in the Strait of Hormuz has only further fuelled these debates, as the route's closure by Iran severely disrupted shipping, and cut off twice the volume of gas that Europe lost from Russia in the Russo-Ukraine crisis.

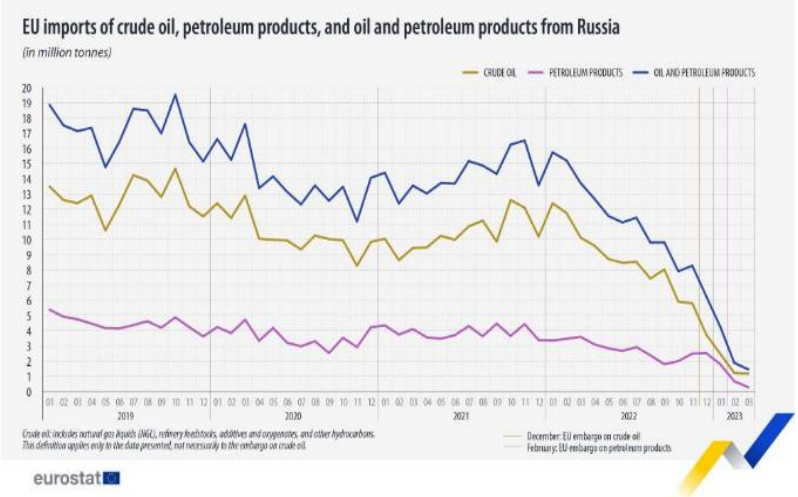


Figure 1: EU Imports of Russian Oil (European Union)

The European Union is now split into three camps: security, affordability, and climate. Much of the bloc is concerned about how exposed countries are to sudden shocks and supply cut-offs beyond their control, as demonstrated in light of the Hormuz closure, and also raises issues with the leverage the United States is gaining. At the same time, diversification and domestic development is much less affordable, with energy prices soaring as an immediate effect of banning Russian pipelines. Environmentalists also have issues with the continued use of fossil fuels. While the EU has made great strides with reducing gas demand and increasing development of renewables, oil is still a key strategic resource to the continent.

Definition of Key Terms

Energy security

Energy security refers to the need for a reliable, uninterrupted supply of energy at affordable prices. A secure supply of energy is sustainable, and is ideally insulated from shocks affecting global or regional supply chains. The crisis in the Strait of Hormuz where Iran shut down the strait illustrates the EU's continued lack of energy security. Prices more than tripled after the event, due to scarcity and uncertainty around the future of the strategic resource.

Strategic autonomy

Strategic autonomy is the concept of a state or bloc being able to act in its own interests without being coerced through energy leverage. This is a large area of concern for the EU currently, because it imports half of its LNG supply from the United States. While traditionally the country acts as a stable trade partner, under the Donald J. Trump administration, relations have been subjected to fluctuations and uncertainty, undermining the EU's strategic autonomy.

Energy poverty

Energy poverty is defined by the EU as a household's lack of access to essential energy services that provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting and energy to power appliances. It is caused by a combination of factors including non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency. Note that this is a condition of households, not countries. According to 2024 data collected by the EU, 9.2% of the European bloc's population were not able to keep their home adequately warm. This was an improvement of 1.4 percentage points on 2023.

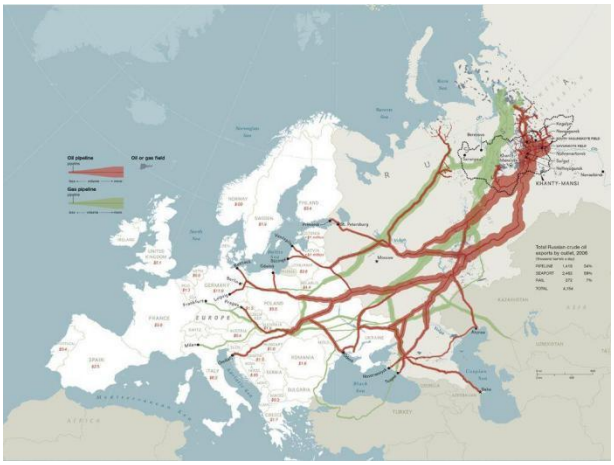
Critical raw materials (CRMs) & Strategic raw materials (SRMs)

Through the 2023 European Critical Raw Materials act, the European Commission set a list of 34 critical raw materials, 17 of which are considered strategic. These resources are deemed necessary for the EU's industrial projects, such as clean energy, defence technology, space research and development, and those relating to general digital transition. China is the dominant supplier of these materials to the EU, with 100% of rare-earths processing done in China. This is a focal point of Europe's external dependence, because the strategic resources it needs for critical supply chains and infrastructure belong completely to an external trade partner.

Background

In the aftermath of the Second World War, European powers began to forge closer diplomatic ties, especially as the communist governments of the east were perceived as a threat. The European Coal and Steel Community signed a Treaty of Paris in 1951, pooling coal and steel resources among France, West Germany, Italy, and the Benelux (the union of Belgium, the Netherlands, and Luxembourg). This was the earliest instance of a clear alignment in energy demand and resource sharing in Europe, setting the foundations for the economic body we know today. The Euratom, a later treaty signed in 1957 also

created one of the first common markets for nuclear power, as states sought to diversify their energy demand. However, the cracks were always present from the beginning. In 1956, the British-French-Israeli attack on the Suez Canal led to its closure, and subsequently crippled nations around the world, especially those in Europe that relied on the oil being shipped through it. The crisis underlined Europe's complete exposure at this point to imported oil, and its economic vulnerability to external actors and events. Further energy crises in 1973 and 1979 involving Arab states shutting down oil exports and the Iranian Revolution led to global stagflation, and widespread economic recession. The crisis in 1973 pushed Western states to create the International Energy Agency (IEA, 1974, under the OECD), a body that would coordinate emergency energy stocks, monitor fluctuations in resource supply, and respond to crises.



Throughout the late 20th-century, the USSR built major influence over Europe's energy by constructing major export pipelines (i.e. the Druzhba for oil, the Soyuz lines for gas). These developments were welcomed in the name of affordability, because the Soviet Union's abundance of resources proved to be an economically beneficial partnership at the time. Resistance to these did emerge, however, from the United States' Reagan administration in the early 1980s, specifically over the Urengoy-Yamal pipeline; the US feared that continued expansion of energy exports to Europe would give Moscow leverage over Europe. These concerns, however, did not halt the flow of oil, and Russian energy corporations like Gazprom steadily increased exports to Europe by about 60% between 1990-2020.

In January 2006 and 2009, disputes between Russia and Ukraine led to the former temporarily cutting supplies to the latter. While brief, the cutoffs caused significant energy shortages across 18 European countries in mid-winter. These occurrences laid the foundation of Russia being deemed an unreliable supplier of energy. As more of Europe began to adopt this mindset, the first initiatives to diversify energy sources emerged. Fears began to grow that Reagan's stark warnings of economic

leverage from Moscow were properly heeded for the first time, with the “unreliable supplier” narrative becoming the mainstream geo-political view in Europe during the 2010s. This was compounded intensely when Russia annexed Crimea without regard for the political and economic fallout that its actions would cause. Dependence on Russian gas after this point was treated as a primary security concern of the entire continent, whose supplies of energy were tied to Russian exports. Russia also continues to operate a “shadow fleet” of oil tankers that transport gas and oil to countries without facing sanctions and therefore circumventing the oil price cap. The concerns came to a climax as in 2021, Russia limited its excess supplies, spiking gas prices globally. It soon launched its full-scale invasion of Ukraine, triggering the worst European energy crisis since those in the 1970s, creating an immediate movement and charging shifts in EU policy.

Since then the EU has consistently pushed policy for diversification and green/renewable energy development. Regulation set in June 2022 set a binding 90% gas storage target for every year, a target that the union has met each year since. The bloc has also cut its gas use by 18% since, a remarkable shift towards alternative energy methods. The EU has stayed consistent politically, adopting 19 sanctions packages on Russia as of today, targeting Russian LNG imports and shadow-fleet operations. Today, the Black Sea pipeline (TurkStream) is the sole route for Russian gas into the EU, with inflows carefully monitored. Norway is the EU’s current largest pipeline supplier (54-55%), with Algeria in second (~20%), and Russian TurkStream third (13%). While this is a much more different landscape compared to decades earlier, it is worth noting that the US supplies 63% of EU LNG, and that the United States is projected to overtake Norway as the EU’s largest overall gas supplier (combining pipeline and LNG), once again raising concerns over external dependence and lack of diversification.

In February 2026, US-Israeli strikes on Iran (“Operation Epic Fury”) triggered conflict across the Persian Gulf and resulted in Iran closing the Strait of Hormuz, a waterway allowing about 20% of global oil and LNG trade. Qatar removed one-sixth of the global LNG supply after being attacked in the conflict. These flashpoints resulted in European gas prices soaring and the impacts being called ”the greatest threat to global energy security in history” by the IEA Executive Director, Fatih Birol.

Major Parties Involved

The European Union (EU)

The EU is the main creator and enforcer of policies regarding energy independence in Europe. Its first treaty can be traced back to the Treaty of Paris signed on April 18th, 1951, aimed at economic and diplomatic stability after World War II, as its enemies shared the production of coal and steel.

The Russian-Ukraine War in 2022 pushed the EU's independent energy policy into action as Europe's past reliance on Russian fossil fuels was exposed. Before February 2022, Russia was the EU's dominant energy supplier, accounting for 45% of gas consumption and 27% of oil imports. The EU's immediate response was the REPowerEU plan, established in May 2022, which aimed to end dependence on Russian fossil fuels through energy savings, supply diversification, and accelerated deployment of clean energy, and it successfully lowered Russian gas imports.

Despite progress, the EU saw a rebound in Russian gas imports in 2024, prompting the Commission to readopt the REPowerEU Roadmap on 6 May 2025 for Europe's full energy independence from Russia. Overall, the EU seeks to build a resilient and secure energy sector by phasing out fossil fuel dependency and transitioning to renewable energy sources.

United States of America

By 2026, the USA has become Europe's largest gas supplier, and Europe's dependence on liquefied natural gas (LNG) from the US tripled between 2021 and 2025. In the first quarter of 2026 alone, the US accounted for 63% of Europe's LNG imports, with the Institute for Energy Economics and Financial Analysis (IEEFA) forecasting that this share will rise to two-thirds by the end of the year and potentially 80% by 2028 or 2029. By 2026, the Trump administration is pushing US LNG exports hard, potentially using them as leverage over Europe. The administration has tied access to US LNG to Europe's approval of the Turnberry trade deal which requires the EU to buy $750 billion in US energy by 2028.

North Atlantic Treaty Organization (NATO)

NATO believes that energy security is essentially important within itself and its allies, starting from the Bucharest NATO summit in 2008. NATO today treats energy security as a strategic military defense. On July 22nd, 2026, the North Atlantic Council approved the NATO Fuel Supply Chain Capability Program, which took steps to enhance NATO's fuel supply chain and is estimated to raise its investments from EUR 5.3 billion to EUR 6.5 billion annually. NATO's Deputy Secretary General

Radmila Shekerinska emphasized in June 2026 that fuel supply chains must remain “secure, resilient, and able to support military operations in times of crisis”.

Russia

Since the Russia-Ukraine War in 2022, the amount of exports from Russia to EU nations has dropped rapidly. Before the war, Russia supplied roughly 40% of the EU's natural gas. By 2025, that share had fallen to about 13%, and Russian gas accounted for only 5% of EU pipeline gas imports. Meanwhile, China has replaced the EU as Russia’s largest trading partner, absorbing about 30% of Russian exports.

China

China now accounts for almost 100% of Europe’s rare earth imports. Though China continues to export materials to Europe, its absolute position in Europe’s energy market remains an urgent concern to reduce energy dependence. This dependency is distinct from the LNG reliance on the United States but carries the same risk. Europe’s green transition depends on a supplier that is willing to use export controls as diplomatic gains. China’s Commerce Ministry has offered to maintain a “green channel” for rare earth licenses, but only in exchange for EU movement on technology imports. In response, Europe’s RESourceEU plan aimed at reducing reliance on critical raw materials from China

Ukraine

Ukraine received long term energy support from the EU, due to cuts in Russian imports. In June 2014, Russia decreases natural gas supplies to Ukraine due to the growing conflict in eastern Ukraine. On December 30, 2019, Ukraine’s Naftogaz and Russia’s Gazprom signed a gas transit agreement for a five-year period, but since the agreement expired in 2024, Russian gas imports significantly decreased again, which stopped flowing to Central Europe via Ukrainian pipelines. In February 2026, the EU released a EUR 922 million package for Ukraine for energy generation, grid resilience, energy efficiency, and heat supply. Ukraine is now a major nation which the EU focuses on to provide energy security.

Norway

Norway became the EU’s largest natural gas supplier, accounting for 54% in 2025 at 86 billion cubic metres, compared to 24% in 2021. Its main export destinations include Germany, accounting for 58 billion cubic meters, France, and Belgium for 16 billion cubic meters. On April 23rd, 2023, Norway and the EU signed the Green Alliance to achieve climate targets and implement the green transition. As a

result, Europe's largest industrial carbon capture and storage facility began operations in the Netherlands in September 2026.

Norway's exports flow through the Gassco-operated pipeline network, approximately 8,800 km of pipelines connecting Norwegian fields directly to Germany, Belgium, France, the UK, and Denmark. This system allows Norway to bypass transit countries, a key advantage over Russian routes.

Algeria

Algeria has positioned itself as an alternative to Russian gas, and the EU has accepted it. On October fifth, 2013, Algeria and the EU implemented the Memorandum of Understanding (MoU) aimed at developing energy relations while respecting the interests of the two parties. The agreement established a High-Level Energy Dialogue that has met annually and spawned working groups on gas, electricity, and energy efficiency. It also created a forum to pull European investment into Algerian hydrocarbons.

Till 2026, Algeria accounts for roughly 13–14% of EU gas supplies, making it the bloc's second-largest pipeline supplier after Norway. Thus, the EU imported approximately 95% of Algeria's LNG exports.

Qatar

Though Qatar is in full support of the EU's objectives on energy sustainability, Qatar opposed the EU Methane Regulation (EUMR) by signing a joint letter with the United States, Nigeria, Algeria, and the United Arab Emirates (UAE) in June 2026, due to the lack of legal certainty and key implementing details under the EUMR. This is seen to constrain the ability of energy exporters, including QatarEnergy, to commit future oil and gas supplies to EU markets. And since the Iranian strikes on its Ras Laffan complex (the world's largest LNG production facility), Qatar's natural gas exports to the EU have collapsed by approximately 60%.

Timeline of Events

Date	Description of Events
1973	The OAPEC oil embargo against countries supporting Israel during the Yom Kippur War triggers the first oil shock
1979	The Iranian Revolution causes the second oil shock
December 17th, 1991	The European Energy Charter is signed between Europe and former Soviet states
January 2009	The Russia–Ukraine gas crisis cuts supplies to Bulgaria, Slovakia, Greece, and Turkey
July 2009	The Nabucco pipeline agreement signed by Turkey, Bulgaria, Romania, Hungary, and Austria to bring Caspian gas to Europe bypassing Russia
June 2014	Russia cuts natural gas supplies to Ukraine due to the growing conflict in eastern Ukraine
December 2015	The Paris Agreement adopted, and the EU commits to accelerate the transition away from fossil fuels
2016	The Clean Energy for All Europeans Package proposed
December 2019	Russia and Ukraine signed a five-year transit agreement (2019–2024) for Russian gas through Ukraine

2022	Following the Russian invasion of Ukraine in February 2022, the EU planned to phase out Russian energy imports as Russia's share of EU gas imports begins falling from roughly 40%
2024	The 2019 Russia–Ukraine transit agreement expires, and Russian gas stops flowing to Central Europe via Ukrainian pipelines
2025	Russia's share of EU gas imports falls to 12%. The EU imports a record 146 billion cubic metres of LNG, becoming the world's largest LNG buyer. The United States supplies 58% of all EU LNG imports.
2026	The closure of the Strait of Hormuz in early 2026 triggered an 88.4% surge in gas prices between February and August, compared to a 22.8% rise in electricity prices, triggering the official regulation of the adoption of REPowerEU in February, 2026.

Previous Attempts to Resolve the Issue

Council Decision 77/270/Euratom

- In 1973, the Organization of Arab Petroleum Exporting Countries (OAPEC) imposed an embargo against countries that had supported Israel at any point during the 1973 Yom Kippur War. By that year, crude oil imports from Arab countries had reached 45% of total energy consumption in Western Europe, up from just 13.4% in 1956. Europe, hence, faced an immense economic shock.
- In response, European states strengthened efforts to develop indigenous energy sources, particularly nuclear power. The Euratom Loan Facility extended EUR 2,876 million to

finance nine nuclear power plants and a reprocessing facility between 1977 and 1987. However, nuclear power did not replace oil in the sectors where Europe was most dependent. Moreover, nuclear expansion raised dependence on imported uranium, created waste, and provoked public opposition, so this alternative was eventually abandoned.

Third Energy Package

- Later on, the EU shifted its focus from oil to natural gas. The January 2009 crisis, which cut supplies to Bulgaria, Slovakia, Greece, and Turkey, triggered the EU to react quickly. First, gas storage was expanded, with stocks built that could last weeks or months in numerous nations.
- Second, the Nabucco pipeline agreement, signed in July 2009, aimed to diversify natural gas suppliers and delivery routes for Europe and reduce Europe's dependence on Russian energy. But the project never materialized since issues with actual gas suppliers were constantly raised.
- Third, the Third Energy Package was designed to make the internal gas and electricity market function more like a single market rather than separate monopolies. The plan indeed worked for a short period of time, but was limited to such a short term.

Nord Stream

- Nord Stream 1 was a pipeline running under the Baltic from Russia to Germany, entering service in 2011-12 with two lines. Nord Steam 2 would have doubled Baltic route capacity, but was sanctioned by the United States and never entered commercial service. Three of the four Nord Stream lines were destroyed by explosions on the baltic seabed in international waters on 26 September 2022. While suspects have been identified and various governments (i.e. Germany, Ukraine) have launched investigations into the matter, no actor has been legally established.

REPowerEU (Regulation 2023/435)

- REPowerEU was launched in May 2022 and formally adopted on March 8th, 2023, as a response to Russia's invasion with the aim of reducing EU dependency on Russian energy. It worked through diversification, energy savings, and more efficient renewables. While it did encourage members to take these measures, it was not law, and so members did not have to cease their buying completely. Recent discussions have moved the policy into law, and compelled members to phase out Russian gas and oil imports.

Possible Solutions

Natural gas reliance could be replaced with clean energy, such as hydro, wind, and solar power. Renewables would not replace gas without electrification. For this reason, the main obstacle is the electricity infrastructure needed to deliver it, since the EU's electricity grids were designed around fossil fuel power plants rather than solar and wind farms. Even though grid investments have increased since 2020, they are not growing fast enough to support the continent's requirements. The EU should invest in its electricity grids, as the existing infrastructure is outdated. Without expanding the network, renewable electricity generated in one region would fail to reach another. At the same time, energy storage is necessary as well, as solar and wind do not produce power continuously. Batteries and other flexible technologies can maintain supply when solar and wind output decreases. For example, solutions may include financing work on geologic hydrogen, a zero-carbon fuel extracted from the earth with massive potential cost reductions, finally making the clean molecule economically viable. These measures are essential if renewable energy is to replace natural gas while maintaining a reliable supply.

The deduction on the reliance on Chinese raw materials may be treated with diversification of supply, and the EU has been building strategic partnerships with third countries. At the same time, domestic mining should be prioritized. The Fen Complex in Norway, being discovered in 2024, contains an estimated 8.8 millions tons of rare earth oxides. However, even if all announced mining projects proceed, they would raise European output by only a small amount, so it is helpful but far from sufficient.

Beyond this, solutions towards the diversification of gas suppliers and routes remain necessary instead of over-relying on one nation's exports. The EU's LNG imports from the United States have risen dramatically, with concerns that dependence is shifting rather than disappearing. The EU should build energy partnerships with a wider range of countries rather than depending on a single one, preventing the EU from over relying on one source.

Similarly, solutions could be targeted towards the goal of affordable energy to reduce exposure to price shocks. Delegates should consider measures that lower household energy costs through efficiency programs and targeted support, reduce industrial reliance on imported fuel by accelerating electrification, and build a domestic energy base that is not subject to the political decisions of external suppliers.

Overall, delegates should put their main focus on long-term sustainable solutions rather than short-term measures that do not fundamentally resolve the issue. While Europe's energy dependency will not be resolved through limited policy measures, delegates should focus on solutions that diversify external partnerships to prevent substituting one dependency for another, invest in domestic renewable

generation and the grid infrastructure required to deliver it, and ensure a stable and affordable energy supply throughout the transition period.

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