

EUSKADI BEFORE THE INTERNATIONAL ENERGY TRANSITION. A STRATEGIC OPPORTUNITY

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The world of energy is in full swing. In the coming decades, the Basque Country faces a great crossroads in which great threats appear and in which notable opportunities appear. 87% of the primary energy consumed globally is of fossil origin. The techno-industrial civilization depends on the massive consumption of coal, oil and gas. However, for approximately two decades various background currents have been modifying the bases on which the international energy system is based. The main one, the most decisive in the long term, is the alteration of the Earth's climate as a result of the massive

combustion of said fuels.

Against this background, it is necessary to take into account three key factors for European energy policy. In the first place, the growing struggle for the increasingly scarce and expensive oil resources in the world, whose best reflection is the two wars for its control in the last 20 years, Kuwait and Iraq. This struggle has been accelerated by the recent popular mobilizations for freedom, dignity and democracy in the Arab world, which have conditioned the export of energy resources, affecting the increase in the price of a barrel of oil.

Second, Russia, a crucial energy supplier to the European Union, has made a clear commitment to using its oil and gas resources as geopolitical power vectors. The Slavic country has evolved over the years towards a variant of a petro-State. All the large Russian energy companies, starting with the giant Gazprom, are under the tight control of the Kremlin, who has not hesitated to cut off gas or oil in the dead of winter to Ukraine and the Baltic republics when there has been a relevant political or economic disagreement. Finally, the crisis at the Fukushima atomic power plant has called into question the safety of nuclear technology. The fact that a technologically highly advanced country like Japan has shown itself to be incapable of managing the crisis with solvency, transparency and efficiency has clouded the future of said technology.

All of this means that the European Union's strong dependence on energy from abroad, 54%, is perceived as a great weakness of its economic model, especially when future trends are analysed. From these, it is possible to extrapolate stiff competition for conventional energy resources, which will tend to translate into increasingly higher prices. Within this frame of reference, the European Union has proposed moving towards an economy with a very low carbon content by 2050, progressively disassociating itself from fossil fuels. Moving resolutely towards greater energy self-sufficiency based on radical efficiency, renewable energy and distributed generation is for Europe a matter of energy security, as well as a strategic opportunity to modernize its economy. The European Commission has shaped that commitment in a series of important documents. The new White Paper on Transport - Roadmap for a single European transport area. Towards a competitive and resource efficient transport system. The Strategy on the mitigation of emissions and climate change - Roadmap for building a competitive low-carbon Europe by 2050-. The Energy Strategy - Energy Roadmap 2050-, which will be presented in the second half of 2011.

In this context, the Basque Country would have to seek its long-term strategic positioning, ensuring the availability of energy supply at prices that are competitive for companies and domestic economies and favoring an increasingly environmentally positive mix, that is, with less content in carbon. The challenge for the Basque Country in the long term is twofold. First, move decisively towards greater energy efficiency in its economy, influencing through demand management policies the high energy consumption of the transport, household and tertiary sectors. Second, through strategic public-private collaboration, to align its industrial, technological and research-knowledge base so that this country plays a leading role among the European regions in the ongoing energy transition. Companies such as Iberdrola or Gamesa have been global players in the past decade in the international takeoff of wind technology, the flagship of renewables. CAF is a

world class player in the growing expansion of rail systems, key to future sustainable mobility. That "multiplied by ten" is what this country can and should do.

On the horizon of 2050, the Basque Government would have to formulate, agree on and deploy an integrated and coherent strategy that includes transport, energy, land use planning, construction and climate change. Its common thread should be moving towards an economy with very low carbon emissions, based on radical efficiency, demand management, renewable energy and distributed generation, with gas as transition energy. Not a single one of the European regions with which the Basque Country is going to compete in the coming years to take advantage of the window of opportunity presented by the international energy transition has the fiscal capacity of the Basque Country. It is a first-rate tool that this country should take advantage of to strengthen the international positioning of its industrial and technological fabric, as well as to carry out its own modernizing transformation towards a low-carbon economy.

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