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The Evolution of the EU's Regulatory Role in Energy

Samuel Furfari

Since its establishment, the European Union has gradually asserted itself as a significant force in economic and political regulation, particularly within the energy sector. While its initial policies focused primarily on post-WWII reconstruction and economic cooperation, the EU has developed an increasingly complex legislative arsenal over the decades, aimed at harmonizing, securing, and modernizing the economic systems of its member states. As energy formed the basis of the EU's establishment and integration, this development is particularly evident in this sector. Initially, this evolution was reflected in a desire to promote technological progress through ambitious research and development funding, before the EU adopted a much more prescriptive approach involving the imposition of constraints and binding targets on decarbonization requirements, energy efficiency, and renewable energies.

These changes are having an impact on internal cohesion and the EU's external relations. Domestically, the rise in regulatory requirements has increased administrative burdens for member states, sometimes undermining their energy sovereignty or economic competitiveness. Externally, the European Commission is showing a marked tendency to export this regulatory model in terms of climate and energy, illustrating its ambition to act as a global legislator—an approach that is contested by many developing and developed countries around the world.

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The evolution of the EU's regulatory role, particularly in the energy sector, can be understood through this dual internal and external dynamic. The organization has been able to shape markets, guide technological choices, and drive major transitions with a voluntarism that is sometimes seen as centralizing and restrictive. This essay explores the historical and contemporary trajectory of this regulation, its effects on European management, the burden it imposes on member states, and its impact on the EU's geopolitical position.

Energy is the foundation of European integration and has become the primary focus of EU regulation.

Historical Origins

Energy is the foundation of European integration and has become the primary focus of EU regulation. As early as 1951, the European Coal and Steel Community (ECSC) established the economic cooperation of countries that had been enemies for too long by pooling the war-related sectors of coal and steel. This led to industrial recovery and peacekeeping, which paved the way for reconciliation.

The Euratom Treaty (1957), signed alongside the Treaty of Rome, represents a fundamental step in the history of European integration. Unlike the EEC Treaty, the Euratom Treaty has retained its separate legal identity and has never been incorporated into the European Union. This distinctive feature has enabled the European Atomic Energy Community to develop a specific and coherent approach to nuclear cooperation. The Euratom Treaty established a legal framework for pooling knowledge, infrastructure, and funding for civil nuclear energy, ensuring not only the security of Europe's energy supply but also the establishment of uniform safety standards to protect the population.

Thanks to Euratom, Europe has been able to develop independent nuclear expertise and a robust industrial base, contributing significantly to the continent's energy sovereignty while promoting scientific excellence through coordinated research programs. This cooperation, based on common objectives rather than regulatory constraints, illustrates an approach to European integration

that has proven its effectiveness and acceptance by member states and their populations. While there were no legislative regulations in the energy sector, there were provisions to facilitate this emerging market.

For decades, the European Commission has been developing concepts that are not regulatory in nature. In 1968, it published a document titled "First Orientation of the European Community's Energy Policy." This document proposed medium-term forecasts and guidelines for each energy source, as well as the establishment of a common market and a policy to ensure a secure and affordable supply. It also recommended establishing research and development programs in the field of hydrocarbons. As its title suggests, this was merely guidance; implementation was not an option, as the treaty did not allow it. It took the oil shocks of the 1970s for these ideas to be put into practice.

Following the oil crises of the 1970s, the EU became aware of its energy vulnerability and external dependence. This period saw an increase in the coordination of national policies to secure supply and the first discussions about a common energy policy. However, economic divergences and national models—often based on integrated incumbents—limited harmonization, leaving regulation fragmented until the 1990s.

The 1980s saw an integration effort through the Single European Act (1987), which aimed to eliminate barriers to cross-border energy trade. Establishing internal markets became a key objective, with directives on the liberalization of electricity in 1996 and gas in 1998. New legislative packages followed in 2003 and 2009, separating generation, transmission, and distribution activities. This promoted competition and the interconnection of national systems.

The Lisbon Treaty

The 2009 Treaty on the Functioning of the European Union (TFEU)—the so-called Lisbon Treaty—saw energy receive specific legal articulation for the first time, as it was considered a competence shared between the Union and its member states, alongside environmental policy. Article 122 enables the EU to implement emergency measures, particularly—says the treaty—in the energy sector, to address crises and reinforce solidarity among member states.

Article 194, which is specific to energy, establishes that the Union's policy in this field shall, within the framework of establishing or functioning of the internal market and taking into account the need to preserve and improve the environment, aim to ensure the functioning of the energy market and the security of energy supply in the Union. It shall also promote energy efficiency and energy saving, as well as the development of new and renewable energies, and the interconnection of energy networks, in a spirit of solidarity between the member states.

These measures do not affect a member state's right to determine the conditions for exploiting its energy resources, its choice of energy sources, or the general structure of its energy supply (Article 194-2). Clearly, this means the Union cannot impose the use or prohibition of its resources or imports on one or more member states. As for tax measures relating to energy, these must be agreed unanimously. However, the EU imposes a reporting and planning matrix, indicative of increasing centralization.

Promoting Energy Technologies

In order to measure the changing role of legislation and regulation, it is important to note that research and development was paramount in the EU for decades. When I joined the European Commission's Directorate-General for Energy, technology was ubiquitous and at the heart of activities. Occasionally, analyses and scenarios were published, but there was hardly any legislation to enforce action on member states.

The EU's involvement in energy research and innovation can be traced back to the founding texts, long before the recent surge in innovation funding. As early as 1951, Article 55 of the ECSC Treaty established programs to encourage technical research that was essential for the industrial productivity and competitiveness of Europe's coal and steel sectors. Specific aid was allocated for R&D projects. This was the first step in the structuring of European industrial power, placing scientific investment at its heart.

The signing of the Euratom Treaty in 1957 gave energy research a systemic dimension.

Chapter 1 of the Treaty explicitly provides for "the development of research and the dissemination of technical knowledge," overseen by the Joint Research Centre (JRC), which was established for this purpose. By encouraging member states to share their nuclear research programs and coordinating projects, the Commission upgraded scientific expertise and enabled the establishment of Common Indicative Nuclear Programmes (NICs).

Research was not limited to nuclear energy; in response to the oil crises of the 1970s, the European Community launched demonstration programs to address various challenges related to energy supply security and energy diversification. These programs focused on conventional oil and gas production (the Oil and Gas Demonstration Programme), the conversion and clean combustion of coal, and the promotion of "alternative energy," which encompassed not only emerging renewables.

In the 1980s, the launch of the first Framework Programs for Research and Development (FPRD) marked the beginning of a new era of organized collaboration. This movement gained momentum with the Horizon 2020 program (2014-2020), which focused on scientific excellence, industrial competitiveness, and societal challenges, with energy occupying a central place. The program funded projects on smart grids, storage, innovative industrial processes, and renewables, catalyzing an unprecedented mobilization of research in the EU.

In 1993, the European Commission began encouraging renewable energy sources through various non-technological policies, including the ALTENER program, which aimed to promote alternative energies through non-binding measures, and the SAVE program, which aimed to promote energy saving through non-legislative measures. These non-binding measures included conferences, publications, training for energy managers, awareness campaigns, cooperation exchanges, and other non-technological initiatives. Within the framework of the SAVE program, I managed the energy management action for local and regional authorities, again focusing on stimulating energy savings in territorial authorities through 'soft' measures and promoting renewable energies through awareness-raising initiatives. The European Commission partly financed the project, but still without coercive measures.

In short, the EU combines pioneering institutional foundations (ECSC, Euratom) with powerful contemporary instruments, making research and innovation support a cornerstone of European energy policy, centered on the challenges of competitiveness, sovereignty, and resilience.

Energy Regulatory Constraints

Initially a promoter of an incentive strategy based on research and voluntary stimulation, the European Union has gradually evolved its arsenal of instruments towards a legislative model. This model was initially soft enough to result in real omission. This process has accelerated since 2000 under the pretext of implementing the Kyoto Protocol. Within a few years, the European Commission proposed, and the European Parliament quickly adopted, directives on renewable energies (2001), energy performance in buildings (2002), the promotion of biofuels (2003), and cogeneration implementation (2004). Then, restrictive regulations were imposed on energy services and manufacturers of energy-using appliances, known as Ecodesign (2006), accompanied by labelling obligations for all this equipment. The adoption of Directive 2009/28/EC, which introduced an obligation to consume and produce renewable energy, marked a significant turning point in the continent's energy governance.

It should be noted that the 2001 EU Directive on the promotion of renewable energy (2001/77/EC) established national "indicative targets." Each member state was expected to produce a certain proportion of its electricity from renewable sources. Still, there were no direct legal constraints, and therefore no real obligation, to achieve results. This approach was adopted at the time because member states resisted the imposition of binding measures from Brussels, as this was the first directive to do so.

However, Directive 2009/28/EC saw member states succumb to pressure from the European Commission and the European Parliament, finally accepting mandates and binding targets. These were defined by the European Commission at the national level to collectively achieve a 20 percent target for renewable energy by 2020 for the EU as a whole (with specific thresholds for each member state based on its capabilities and starting point).

Despite some initial reluctance, all member states eventually agreed. At the time, this would have been frowned upon by the EU population. The states were therefore legally bound to meet their national targets.

The different treatment of the same renewable energy production target in these two directives highlights the accelerated pace of the European legislative process in recent years. The 2009 Directive has led to the harmonization of the regulatory landscape, forcing all governments to transform their national support, network management, and reporting frameworks. The obligation to provide evidence via guarantees of origin and the setting of sectoral targets brings member states into alignment with a common agenda, reducing their room for maneuver.

Successive changes to the directive have further tightened the regulatory framework: the 2030 target was initially set at 32 percent, then raised to at least 42.5 percent in the 2023 revision (RED III) as part of the "Fit for 55" package and in response to the Ukrainian crisis. This normative pressure also aims to reduce the EU's dependence on Russian fossil fuels by explicitly incorporating geopolitical constraints into EU legislation. These obligations to produce renewable energy are accompanied by a requirement to prioritize their dispatch.

Consequently, cheap nuclear electricity in France or cheap coal-fired electricity in Poland, for example, is forced to reduce production to allow renewable energy to be prioritized, despite the fact that it exists only because it is subsidized. Since these obligations to produce uncompetitive energy had to be accompanied by public aid, the EU authorized the member states not to respect the right to competition in this area, producing an additional layer of legislation. Once again, we can observe an increase in the power of European legislation.

More Normative Pressure

The "Energy and Climate" packages and, more recently, the "Clean Energy Package for All Europeans" package (2019) complete this normative stack. These texts no longer only concern production; they also reform the governance of the entire market. For example, there are new rules on vertical disintegration (electricity companies can no longer produce, transport, or distribute

electricity; independent companies must manage each of these services), new flexibility mechanisms, and incentives for innovation and the development of cross-border trade. There is also increased integration of citizens as consumers ("prosumers"). The principles of solidarity and flexibility are gradually being replaced by standardized objectives and reporting at the EU level. National policies must comply with the harmonized national energy and climate plans, which are verified by the Commission.

The increase in constraints is also evident in the Energy Efficiency Directive, which was strengthened in 2009, 2012, and most recently in 2023 to achieve carbon neutrality by 2050. The directive imposes quantified reductions, such as an improvement in energy efficiency of at least 11.7 percent by 2030, and requires large companies and many SMEs to undertake new mandatory audits. Urban planning, the renovation of public buildings, and energy performance management become legal and operational obligations for all member states.

When the Energy Performance of Buildings Directive was adopted in 2002, measures were put in place to inform citizens. Standardized labelling indicating the building's performance level must accompany its sale or rental. Subsequently, however, this directive became a coercive instrument: it is now illegal to sell or rent buildings that do not meet the minimum energy performance requirements.

What was initially a useful information tool has evolved into an investment obligation to enhance performance levels. Currently, the number of residential properties for sale or rent is decreasing, as owners believe that the investment required by the regulations cannot be profitable in the sales or rental market. This is another example of excessive regulation, similar to that seen in the renewable energy sector.

As with any directive, member states are required to implement its provisions, but they may exceed these requirements. However, their freedom to define their renewable energy mix is limited by the obligation to prepare a National Action Plan (NAP), which details how the individual targets will be achieved.

The European Commission examines plans submitted to it within a given timeframe and may

request revisions if it deems the targets insufficient in relation to the required results. Even if the plan is in accordance with the principle of subsidiarity, it must be drafted using an extremely detailed template. To illustrate the level of detail required by the European Commission for the Renewable Energy Directive, the template comprises 29 A4 pages and 13 tables.

The European Commission has made decarbonization the guiding principle of all its policies, integrating this imperative into legislation relating to energy, buildings, mobility, industry, agriculture, and taxation.

These legislative packages have profoundly changed the way EU energy governance functions, introducing forced interoperability, standardized planning tools, mandatory and detailed reporting, and the submission of national instruments to the European Commission for validation.

Despite their diverse economic and energy contexts, member states must comply with the pace and standards set in Brussels. This leads to a significant increase in compliance costs and a partial loss of autonomy in defining energy policies, as well as increasing the administrative and strategic burden. This final constraint necessitates the employment of large numbers of civil servants to ensure implementation. The workload for a small member state like Malta is the same as for a large member state like Germany, with consequences that are easy to imagine.

This change, which is focused on fighting decarbonization, is disrupting the traditional hierarchy of priorities—security of supply and competitiveness—that has historically prevailed in the EU's energy strategy.

The Decarbonization Turning Point

This is indeed the decarbonization strategy that the EU has pursued since the early 2000s, culminating in the adoption of the European Green Deal in 2019, which considerably strengthened European legislation. The stated objectives are twofold: to achieve climate neutrality, or 'net zero,' by 2050; and to rapidly reduce net greenhouse gas emissions by 55 percent by 2030 compared to 1990. Furthermore, the European Commission has made decarbonization the guiding principle of all its policies, integrating this imperative into legislation relating to energy, buildings, mobility, industry, agriculture, and taxation.

The European Green Deal has led to an increase in the number of regulatory texts, particularly the EU Emissions Trading Scheme (EU ETS), which is now the cornerstone of its climate policy. Launched in 2005, this carbon market forms the basis of a system that imposes a cap on CO2 emissions in energy-intensive industries and the energy sector (including industry and electricity production, and soon buildings, maritime transport, and road transport). Companies receive or purchase allowances through auctions and must either adhere to them or compensate for them on the market, under the threat of sanctions. This mechanism is continually strengthened to encourage continuous reductions in emissions by shifting the cost of pollution to the most intensive players, thereby promoting the decarbonization of industrial and energy processes. Between 2010 and 2023, this has achieved an effective 22 percent reduction in emissions, while broadening the scope of sectors covered to include maritime transport, construction, and, ultimately, road transport.

Other tools, such as the low-carbon hydrogen strategy, the Innovation Fund, and the reform of the electricity market, complement this regulatory framework to accelerate the transition.

The emergence of decarbonization as the supreme imperative has profoundly altered the governance and management structure of the energy sector in the member states. National planning is now subject to rigorous National Energy and Climate Plans, which are evaluated by the European Commission to ensure compliance with the directives and to assess their potential impact. Control mechanisms, such as emission inventories, energy audits, and real-time monitoring tools, are being strengthened at all levels, leading member states and companies to integrate unprecedented budgetary, legal, and technical constraints.

The centralization of energy management priorities in Brussels has also strengthened the standardization of calculation and action methods, establishing new compliance obligations, particularly for heavy industry and established

energy sectors. This regulatory shift is also changing traditional trade-offs: security of supply and competitiveness, which were previously priorities, now take a back seat to the EU's carbon trajectory.

Asserting Universal Normative Competence

The European Green Deal is the EU's most significant climate and energy policy initiative to date. The goal is to make Europe the first carbon-neutral continent by 2050. This places the climate imperative at the top of the Community's priority hierarchy, overturning the historical balance in favor of security of supply and competitiveness through legislative and coercive measures.

The mechanism has gradually expanded to include the Carbon Border Adjustment Mechanism (CBAM). The CBAM is a European Green Deal tool that originated from the desire to complement the Emissions Trading System (ETS), established in 2005. The ETS had a perverse effect on energy-intensive industries, such as steel, cement, aluminum, fertilizers, and hydrogen production. Many EU-based companies producing such goods have relocated their production to countries where carbon costs do not exist, a phenomenon known as "carbon leakage." The CBAM aims to address this issue by replicating the carbon price signal at the EU's borders. Under the scheme, an importer in the EU must acquire CBAM certificates equivalent to the CO2 price that a producer in the EU would have paid if the same goods had been manufactured in the EU. In other words, the aim is to treat EU and foreign producers equally, while encouraging the latter to reduce their emissions.

Clearly, the CBAM is an instrument of normative power: the EU is attempting to impose its environmental standards beyond its own borders. This puts Brussels in the position of being the architect of global carbon regulation, but it comes at the cost of increased trade tensions. Partners such as China, India, and Türkiye view this as a form of hidden protectionism. Even the Biden Administration, despite its ambitious climate policies, had criticized the mechanism's extraterritorial logic, considering it contrary to WTO rules.

Furthermore, the CBAM is being implemented in the context of global geoeconomic rebalancing. By seeking to 'green' its supply chains, the EU is increasing its dependence on critical metals produced outside its borders. This produces tension between climate objectives and economic security, particularly with regard to supplier countries such as South Africa (coal and steel), Russia (aluminum and fertilizer), and China (aluminum and hydrogen).

CBAM is an excellent example of the extraterritorial extension of EU law. It has been gradually coming into force since 2023 and will be mandatory from 2026. However, another directive also provides for this extraterritorial competence. The Corporate Sustainability Due Diligence Directive (CSDDD), adopted in 2024, forms part of a strategy to strengthen the EU's sustainable regulation. It affirms the EU's ability to define companies' responsibilities on a global scale by combining business law, environmental governance, and social justice.

In response to mounting pressure from environmental activists demanding greater corporate social and environmental responsibility, the European Union introduced transparency obligations through directives on the disclosure of non-financial information in 2014, reinforced in 2022. The CSDDD goes further still by producing a legal obligation of means, not just a reporting obligation. Companies with more than 1,000 employees and a turnover exceeding €450 million must now identify, prevent, mitigate, and report on human rights, social rights, and environmental rights violations in their value chains. This duty applies not only to their subsidiaries, but also to their subcontractors and suppliers located outside the EU—a significant development in the area of economic extraterritoriality.

This legislative instrument extends the EU's regulatory power beyond its own borders. In practice, a company operating, for example, in Africa, Asia, or Latin America that supplies a customer in the EU will have to comply with the environmental, social, and governance (ESG) standards set by Brussels. Thus, the mechanism transforms the classic contractual relationship into a vertical normative chain in which EU companies effectively impose EU regulations worldwide.

This evolution has several effects. From an economic perspective, it increases the administrative and financial burden on companies, particularly SMEs, who will now be responsible for ensuring their global suppliers are compliant. In terms of trade, some

partners may perceive it as a form of moral neoprotectionism aimed at imposing EU production standards worldwide. Geopolitically, the directive reinforces the perception of EU unilateral normative power, raising questions about the compatibility of certain requirements with the regulatory sovereignty of third countries and the WTO's multilateral rules. The extraterritorial implementation of the directive could also lead to the fragmentation of global value chains, as some non-EU companies may choose to stop trading with customers in the EU rather than submit to this normative control.

CSDDD illustrates the EU's transformation from a trade regulatory body to a global normative power.

However, controlling thousands of suppliers, verifying complex supply chains, and accepting legal liability for events that occur abroad could, paradoxically, weaken EU competitiveness. Additionally, unequal application between large multinationals and SMEs could establish a new internal barrier to the EU market.

Some companies, both large and small, are wondering whether it would be cheaper to withdraw completely and pay a substantial fine for non-compliance. I received a first-hand account of this calculation from someone in charge of it at a large German SME. Other companies are reconsidering their interest in doing business in the EU, cancelling planned investments and halting ongoing projects. This is already happening dramatically in the chemical industry. These are companies that wish to conduct their business in an ethical and sustainable manner but cannot justify the cost of compliance or the legal risk of making a mistake.

CSDDD illustrates the EU's transformation from a trade regulatory body to a global normative power. While this transformation gives the EU greater influence in defining global standards, it must nevertheless be accompanied by economic and diplomatic realism; otherwise, the EU could find itself isolated by a normative strategy disconnected from the balances of global trade.

The imperative of decarbonization is thus becoming a driver and a main constraint. This is leading to massive investment

costs, the need for a profound transformation of infrastructure, and pressure on the competitiveness of many industrial sectors. Of course, there is also an increase in energy prices. As Mario Draghi, the former president of the European Central Bank, noted in his now-famous report, there is a worrying loss of competitiveness.

The CSDDD Directive is accompanied by the Corporate Sustainability Reporting Directive (CSRD), which represents a significant shift in the regulation of sustainability reporting within the European Union. It requires companies to be more transparent and to align their strategies with the ecological transition. Proposed by the European Commission in April 2021 as part of the European Green Deal and ambitions for sustainable finance, the CSRD was officially adopted in 2022 and will gradually come into force from 2024 onwards. The scope of the CSRD has been considerably broadened, now covering all large companies and listed SMEs. It requires standardized, audited, and harmonized ESG reporting at an EU level. The main objective is to direct financial flows towards sustainable activities, thereby strengthening investor confidence and combating greenwashing.

This legislative instrument shifts the balance of power between member states and companies in the energy transition. Sustainability strategies must now form part of business and governance models, implying a redefinition of the role of the boards of directors and senior management. To comply, companies must implement a structured process for collecting and analyzing ESG data, ensure rigorous traceability, and adopt EU standards, accompanied by independent audits in each member state.

The measure aims to establish the European Union as a leader in sustainable regulation and set an ambitious global standard, directly impacting the international competitiveness of EU companies. However, intensifying reporting obligations to increase the administrative burden on companies and risks distorting competition compared to non-EU companies not subject to the same requirements.

The adjacent table summarizes the differences between these two similar directives, both of which contribute to an increase in the bureaucratic burden on companies.

Criterion	CSRD (Reporting)	CSDDD (Due Diligence)
Objective Hand	Enhance corporate transparency on environmental, social, and governance (ESG) dimensions via standardized reporting with the ESRS.	Impose a formal duty on large companies to identify, prevent, and address negative impacts on human rights and the environment throughout the value chain.
Geographic Scope	EU companies and non-EU companies with significant EU activity.	Large EU-based companies, and non-EU companies with notable EU turnover.
Target Companies	Large companies (>250 employees or €40m turnover), listed SMEs, and EU subsidiaries of foreign groups.	Very large companies (>1,000 employees and €450m global/ net turnover), certain non-EU companies depending on EU turnover.
Main Bonds	Annual publication of a sustainability report, according to ESRS, with third-party assurance.	Ongoing duty to identify, prevent, and remedy risks/harms; Compulsory climate transition plan.
EMS Exclusion	Non-listed SMEs excluded, except as subsidiaries or suppliers of in-scope firms.	SMEs formally excluded but indirectly affected as part of the value chain; support measures envisioned.
Enforcement	Audits by statutory auditors; national penalties for non-compliance.	Oversight by national authorities; fines, injunctions, civil and administrative liability.
Timeline (with delays)	Staggered application: two-year postponement for 'waves 2 & 3' under 'Stop the clock directive.'	National transposition by 26 July 2027; staged application until 26 July 2029 based on company size/sector.

Excessive Legislation

This dynamic will inevitably lead to widespread protest from certain member states and business circles as the regulatory power grows over the years. In concrete terms, this resistance has led to questions about the logic of normative expansion and to the launch of a major revision of European Green Deal policies in 2025. Known as the "Omnibus Package," this initiative aims to simplify, defer, and, in some cases, alleviate the obligations imposed by climate legislation, particularly with regard to sustainability reporting (e.g., CSRD, CSDDD) and the implementation of the CBAM.

The stated objectives are to reduce the administrative burden and restore competitiveness by raising application thresholds, reducing the volume of required data, and postponing deadlines. For example, SMEs are now exempt until 2029, and small importers are temporarily excluded from the CBAM scope. The complex revision procedure involves the EU's Parliament, its Council, and its Commission, taking stakeholder consultations and national opinions into account when adjusting the texts.

This step is not just simple administrative pruning; it reflects a growing opposition that is pushing the EU institutions to strike a more pragmatic balance between normative ambition and economic reality. Nevertheless, climate ambitions have not disappeared, and the future balance will depend on the EU's ability to adapt its objectives without compromising the coherence and credibility of the energy transition project.

This increase in the EU's normative competence is sparking significant internal disputes. Several member states fear that, through the unification of governance and the prescriptive force of the new instruments, the European Commission will substantially reduce their freedom to design policies, particularly in the energy sector, where national energy mixes differ greatly.

Disagreements over how to share efforts, when to implement timetables, and how to balance climate ambition with preserving competitiveness have led to deadlocks, rising tensions within the European Council, and multiple demands for differentiation or flexibility in implementing standards. The risk of the "European project" losing legitimacy in the eyes of member states' populations worried about their energy and industrial sovereignty is now real.

Against a backdrop of increasing normative centralization and evermore ambitious EU energy transition targets, some member states are openly opposing the imposed deadlines and constraints, particularly Hungary and Slovakia, whose economies remain heavily dependent on Russian fossil fuel supplies.

Hungary's government justifies its continued energy imports from Russia due to a lack of viable alternatives in terms of both infrastructure and costs. Budapest stresses that a sudden disruption in gas and oil

flows would seriously compromise national supply security and cause a significant rise in energy prices, directly affecting households and industrial competitiveness. Prime Minister Viktor Orbán has declared that his country has "no realistic alternative," rejecting European and, more successfully, American pressure to rapidly reject Russian hydrocarbons while defending a gradual approach that would preserve internal economic stability.

Slovakia takes a similar position, citing geographical and logistical constraints that render an immediate transition impossible. The country relies on historic oil and gas pipeline networks connected to Russia that were inherited from the Soviet era. Redirecting these networks would require substantial investment and extended deadlines. This continued dependence forms part of a regional context characterized by the war in Ukraine, volatile global energy markets, and uncertainties surrounding the availability of new suppliers.

These national positions illustrate the tensions caused by rapid normative integration coupled with accelerated disconnection from Russian fossil fuels. Faced with EU directives, Hungary and Slovakia are attempting to negotiate EU-wide financial support mechanisms to offset the costs of diversifying their energy mix. They insist that replacing or adapting infrastructure designed over decades to work with Russian flows poses a significant economic and technological challenge, particularly with regard to the compatibility of existing networks with new sources of supply.

While this does not call into question the EU's overall decarbonization strategy, it does highlight the difficulty of energy governance in the face of deep structural disparities between member states. Through their position, Hungary and Slovakia are pointing out that the harmonization of energy policies cannot ignore national realities; otherwise, the cohesion and stability of the Energy Union will be undermined. Therefore, finding a balance between climate ambition and economic pragmatism is essential to avoid persistent bottlenecks in countries most vulnerable to supply shocks.

Emerging Parliamentary Resistance

This resistance is also evident in the European Parliament, as well as in some member states. While the proper functioning of the internal market requires harmonization of its rules, this has gradually turned into regulatory proliferation, often driven by additional policy objectives relating to the environment, society, or climate. These objectives have increased the complexity of the normative framework. Consequently, there is a growing concern within the European Parliament about this normative inflation, particularly among non-left-wing parties that consider environmental, social, and climate policies. Since 2024, these parties have criticized the proliferation of reporting obligations, compliance procedures, and environmental criteria, which they say has turned the regulatory landscape into a bureaucratic labyrinth.

MEPs deplore the fact that these requirements result in considerable fixed costs for SMEs and start-ups, including administrative time, the use of legal consultants, and increased difficulties in accessing EU aid. They believe that this bureaucracy harms the overall competitiveness of the EU's economy by slowing down innovation and discouraging new investment in the EU.

It also distorts the internal market itself: large companies, which are better equipped to manage regulatory complexity, strengthen their position while smaller companies are forced to limit their growth ambitions. Furthermore, the competitive dynamic with other global economic centers exacerbates this issue: the United States and several Asian countries favor more flexible regulatory frameworks that incentivize investment and industrial research, whereas the EU is locked into a procedural logic.

To preserve the spirit of the internal market and revive the EU's competitiveness, a proportionate and differentiated regulatory approach is necessary. This should lead to the simplification of legislation resulting from the European Green Deal by distinguishing between essential requirements and ancillary obligations.

A strengthened principle of subsidiarity should be applied by granting greater latitude to member states and regions to adapt the rules to their economic fabric, rather than the European Commission imposing measures for implementation. The institution responsible for legislation has proposed establishing a permanent mechanism for testing competitiveness before any new legislation, in order to assess its administrative impact on SMEs and private investment.

Scaling Back Good Intentions

In this essay, I examined the evolution of the EU's regulatory role in the energy sector, showing how it has moved from an approach based on research and development, coordination, and incentives, to a highly normative model characterized by unprecedented legislative inflation. The historical trajectory reveals that during its first 50 years, the European Community had mainly focused on 'soft' measures of coordination and support for innovation, a period during which it enjoyed strong popular support.

This fundamental transformation is closely linked to the rise of the European Parliament in the EU's institutional architecture, particularly since the Maastricht (1992) and Lisbon (2009) treaties, which gave it considerably increased legislative powers. When this institution only had budgetary powers, the EU focused mainly on incentives and research funding. The gradual granting of legislative powers to the Parliament has triggered an institutional dynamic: an institution with new powers naturally tends to exercise them fully, or even to amplify them.

Among the 720 MEPs, each is seeking to gain visibility in his or her constituency to maximize his or her chances of re-election. This visibility is mainly achieved through legislative activity, transforming many deputies into "hyperactive legislators," multiplying regulatory initiatives. To obtain this visibility and hope to be rapporteurs on important texts, parliamentarians, who do not have the right of legislative initiative, constantly ask the European Commission through resolutions to "give them wheat to grind"—that is to say, legislative proposals to be amended, enriched, and adopted. The European Green Deal is a perfect example of this trend, with a proliferation of directives, regulations, and reporting obligations that have ended up establishing a normative ecosystem of unprecedented complexity and cumbersomeness.

Should EU institutions continue their trajectory of normative expansion, risking the further alienation of voters, or should they reduce their legislative ambitions to win back popular support?

This legislative inflation has provoked a growing rejection from both citizens and the business community, which now threatens the legitimacy of the "European project" itself. EU institutions are therefore at a decisive crossroads: should they continue their trajectory of normative expansion, risking the further alienation of voters, or should they reduce their legislative ambitions to win back popular support?

One thing is clear: during the first half of its existence, when the European Community and then the European Union had not yet developed this ubiquitous legislative vocation, enthusiasm for this political construction among member state populations was considerably stronger. The correlation between normative inflation, which has become particularly evident since the European Green Deal, and the rise in popular disavowal, is a worrying trend.

In a globalized, non-polar world, EU member states can no longer influence major global challenges individually, demonstrating the vital need for a strong, coherent European Union. However, to safeguard this essential organization, the pretense of controlling every detail of citizens' and businesses' daily lives, and even imposing standards on third countries, must be abandoned. Paradoxically, it is by reducing its legislative footprint that the EU could regain its legitimacy and political strength. The solution to saving the European Union is less legislation. BD