



# Energy Markets Under Stress: Some Reflections on Lessons From the Energy Crisis in Europe

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## Abstract

This paper examines the 2021-2023 energy crisis in Europe exacerbated by the energy consequences of the full-scale Russia – Ukraine war which began in February 2022. We show that this is an historically unprecedented price shock to both gas and electricity prices. We then draw on lessons from UK energy policy in World War Two to inform European energy policy during this crisis. In light of this, we examine actual policy responses by the European Union (EU). The EU has responsibility for the European single market in electricity and gas (which also formally includes Norway and effectively includes the UK) and has attempted to co-ordinate EU-27 responses to the crisis. We highlight four good and three bad policy responses observed across Europe. We conclude with longer-run lessons for energy and climate policy arising from this gas and electricity price shock.

**Keywords** energy crisis, single market in energy, wartime

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