September 11th (Fri), 2026

CLAVIS
POINT OF VIEW ("POV") Vol.19

Tel: +8150 (5578) 3660
Email: info@clavisenergy.com
Website: www.clavisenergy.com/home

"You & I" – We Don't Wanna be Like Them

We Figured it Out, Maybe; Not Renationalization but Reintegration

Summary

Since the winter of 2021, the global energy system has been reshaped by a series of geopolitical shocks: the European gas crisis, Russia's invasion of Ukraine, and the renewed tensions in the Middle East in early 2026.

These events reordered the hierarchy of energy priorities everywhere: **Price affordability no longer sits at the top. Physical security does.**

This shift - captured clearly in Mr. Jeff Currie's framework of Security → Affordability → Sustainability, has exposed the structural limits of market-based energy systems in Europe, the UK, and Korea. The result has been a visible move toward Renationalization. Yet one country stands as a clear exception: the United States.

Japan, meanwhile, will not pursue nationalization; maybe. But given its structural constraints e.g. low resource self-sufficiency, concentrated fuel procurement, and repeated market stress, it may be pulled toward a different form of structural correction: Reintegration, a return toward pre-liberalization concentration around major utilities.

We don't wanna be like them - But structurally, we may be moving in a similar direction.

Disclaimer: *The views expressed in this column are solely those of the author, based on personal experience and professional observations in the energy industry. They do not represent the views of any organization with which the author has been affiliated.*

1. Renationalization: Why Europe, the UK, and Korea Are Turning Back

- The recent wave of renationalization is not ideological. It is structural. It reflects the limits of a market model built on the assumption that physical supply constraints are minimal.

➢ France: EDF's Renationalization

France's decision to renationalize EDF was shaped by multiple overlapping factors. During the 2021–22 winter, a series of nuclear outages coincided with a historic surge in European gas prices. Nuclear power - normally France's shield against gas-driven price volatility - could not fully operate, leaving the

Copyright © 2026 CLAVIS ENERGY PARTNERS LLC

country exposed to the European gas market's shock.
Although nuclear units later returned to service and resumed their role as France's backbone, the rapid expansion of renewables has begun to structurally affect nuclear utilization rates and long-term economics. Considering future costs associated with nuclear maintenance, renewable integration, and system stability, the government's decision to assume ownership and risk appears a logical outcome.

- United Kingdom: Market Failure and Political Reality
  The UK's liberalized retail market suffered a wave of supplier bankruptcies during the 2021 - 22 crisis. The price cap mechanism - designed for stability - became a structural bottleneck. Political consensus has since shifted toward the view that market competition alone cannot safeguard national energy security.

- Korea: National Security First
  Korea's near-total dependence on imported fuels, combined with heightened geopolitical risk, led policymakers to conclude that electricity and gas must be treated as national security assets. Renationalization followed naturally.

Across these countries, the conclusion is the same: the market cannot manage physical security risk.

2. The Regime Shift: From Price Affordability to Physical Security

・ Mr. Jeff Currie's "New Joule Order" captures the structural shift succinctly:

Security → Affordability → Sustainability

This is not a policy preference. It is a physical reality.

✓ Cheap energy is irrelevant if it cannot be delivered.
✓ Efficient markets fail when geopolitical shocks disrupt supply.
✓ Sustainability cannot compensate for physical shortages.

The world has returned to a physical-asset-driven energy paradigm, where localization, diversification, and electrification dominate strategic thinking.

3. The One Exception: The United States

・ The United States is the only major economy where the market model has not structurally broken. This is not because the US avoided price shocks - indeed, gasoline and diesel spikes driven by continuing conflict in the Middle East are affecting households and businesses.
・ Rather, it is because the US possesses the physical conditions necessary for a market system to survive.

Copyright © 2026 CLAVIS ENERGY PARTNERS LLC
CLAVIS ENERGY PARTNERS LLC
Expert Office Shinagawa, Area Shinagawa 13F
Konan 1-Chome 9-36, Minato-Ku
Tokyo 108-0075, Japan
Tel +8150 (5578) 3660 Email info@clavisenergy.com

A. Resource Self-Sufficiency

・ The world's largest producer of natural gas and crude oil
・ A major LNG exporter
・ Multiple new LNG projects reaching FID and, in the planned pipeline,

The US can "drill its way" through supply shocks. While few other countries can.

B. Localized and Diverse Power Markets

・ CAISO, ERCOT, and other regional markets continue to function despite high renewable penetration. Large system size and abundant gas-fired capacity support market stability.

C. Political Culture Supporting Supply Expansion

・ The GOP's "drill baby drill" stance - at least at the moment - reinforces domestic production and energy independence. This political environment helps sustain the market model.

The US is the only country combining marketization + resource self-sufficiency. That is why it remains the exception.

4. Japan: Not Renationalization, but Reintegration; maybe

Japan's liberalization was built on a "photograph" of overseas markets - European unbundling, UK retail competition, and US wholesale market design. But Japan is neither Europe nor the US.

a. Structural Constraints

・ Japan's resource self-sufficiency is extremely low. It relies heavily on imported LNG, oil, and coal. Fuel procurement is concentrated among major utilities, which also own most dispatchable generation assets. Grid interconnections are limited, and renewable deployment faces geographic constraints. These conditions do not support a fully competitive market model.

b. Market Stress Since 2021

・ JKM volatility
・ Retail supplier exits
・ Fuel cost adjustment disputes
・ Wholesale price spikes
・ Frequent, continuing regulatory revisions

The system has entered a state of institutional fatigue.

Copyright © 2026 CLAVIS ENERGY PARTNERS LLC
CLAVIS ENERGY PARTNERS LLC
Expert Office Shinagawa, Area Shinagawa 13F
Konan 1-Chome 9-36, Minato-Ku
Tokyo 108-0075, Japan
Tel +8150 (5578) 3660 Email info@clavisenergy.com

c. The Shift Toward Reintegration?

- The late 2025 policy discussions - “Next-Generation Power System Structure” highlights:

✓ Vertical coordination (generation → transmission → retail)

✓ Horizontal coordination (fuel procurement → supply planning)

- This is not nationalization. But it quietly suggests a drift toward re-concentration, a structural correction toward stability.
- Japan does not want to follow Europe or Korea; We don’t wanna be like them. Yet the gravitational pull of physical constraints is unmistakable.

5. Implication / Conclusion

- Japan has worked hard to build a liberalized electricity and gas market.
- But with extremely low resource self-sufficiency, concentrated fuel procurement, and repeated market stress, the physical foundations of full marketization are fragile.
- Japan will not pursue renationalization. However, structural pressures point toward Reintegration - a return to a more coordinated, utility-centered system.
-

In a world where energy has returned to a physical-asset paradigm, misreading this regime shift would expose Japan to unnecessary risk in the next crisis.

We figured it out; maybe.

CLAVIS ENERGY PARTNERS LLC

Copyright © 2026 CLAVIS ENERGY PARTNERS LLC
CLAVIS ENERGY PARTNERS LLC
Expert Office Shinagawa, Area Shinagawa 13F
Konan 1-Chome 9-36, Minato-Ku
Tokyo 108-0075, Japan
Tel +8150 (5578) 3660 Email info@clavisenergy.com