



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 02.12.1997
COM(97) 646 final

97/0106 (SYN)

Amended proposal for a

COUNCIL DECISION

**concerning a multiannual programme for the promotion of renewable energy sources in
the Community - ALTENER II**

**(presented by the Commission pursuant to Article 189 a (2)
of the EC-Treaty)**

EXPLANATORY MEMORANDUM

On 12 March 1997 the Commission adopted a proposal for a Council Decision concerning a multiannual programme for the promotion of renewable energy sources in the Community (Altener II). The proposal is based on Article 130(s) of the Treaty which provides for the co-operation procedure with the European Parliament. On 6 November 1997 the Parliament gave its opinion on the first reading. 24 amendments were voted and accepted.

The principal preoccupations of the Parliament matched those of the Commission. Of the 24 amendments proposed, the Commission accepted seven in their entirety and ten with rewording.

Seven amendments have not been accepted, and one only partially (amendment n°20), by the Commission for the following reasons:

- amendment n° 1

It is inappropriate to refer to a publication of conference proceedings in a legal text.

- amendment n° 3

idem

- amendment n° 4

The question of taking account of indirect costs in tariff calculation falls within the scope not of this programme but rather of the proposals on a Community strategy for Renewables which the Commission will be presenting separately to Parliament and Council.

- amendment n° 14

The amount of financing will be decided in accordance with the normal budgetary procedure, during which the budgetary authorities take all relevant aspects into account, including questions concerning Renewables as well as greenhouse gases.

- amendment n° 20

The concepts included in indents 3, 4, and 5 are implicit in the first and third as originally drafted.

- amendment n° 24

Reporting procedure is already stipulated in art. 6.

- amendment n° 26

The Comitology rules are laid down formally and this text should not provide otherwise.

- amendment n° 27

idem

The Council is requested to adopt its common position on the basis of the attached amended proposal.

PROPOSAL FOR A COUNCIL DECISION

concerning a multiannual programme for the promotion of renewable energy sources in the Community

- ALTENER II -

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130s (1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the procedure provided for in Article 189c of the Treaty, in cooperation with the European Parliament,

1. Whereas Article 130r of the Treaty lays down that one of the objectives of the Community action is to ensure prudent and rational utilisation of natural resources;
2. Whereas Article 129 of the Treaty lays down that health protection requirements shall form a constituent part of Community's other policies; whereas the Altener programme contributes to health protection;

AMENDED PROPOSAL FOR A COUNCIL DECISION

concerning a multiannual programme for the promotion of renewable energy sources in the Community

- ALTENER II -

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130s (1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the procedure provided for in Article 189c of the Treaty, in cooperation with the European Parliament,

1. Whereas Article 130r of the Treaty lays down that one of the objectives of the Community action is to ensure prudent and rational utilisation of natural resources;
2. Whereas Article 129 of the Treaty lays down that health protection requirements shall form a constituent part of Community's other policies; whereas the Altener programme contributes to health protection;

3. Whereas, at its meeting on 29 October 1990, the Council announced its objective of stabilizing total CO₂ emissions by 2000 at the 1990 level in the Community as a whole;

4. Whereas a mechanism for monitoring CO₂ and other greenhouse gas emissions was established by Council Decision 93/389/EEC;

5. Whereas CO₂ emissions from energy consumption in the Community are likely to increase by about 3% between 1995 and 2000, assuming normal economic growth; whereas it is, therefore, essential to adopt additional measures;

6. Whereas, at its meeting on 25-26 June 1996, the Council noted that in the framework of negotiations seeking a protocol according to the Berlin Mandate, the Second Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) had concluded that the balance of evidence suggests that there is a discernible human influence on global climate change and had stressed the need for urgent action at the widest possible level, noted that significant "no-regrets" opportunities were available and requested the Commission to identify which measures have to be taken at Community level;

7. Whereas with the Green Paper of 11 January 1995 and the White Paper of 13 December 1995 the Commission communicated to the European Parliament and the Council its views on the future of energy policy in the Community and on the role that renewable energy sources should

3. Whereas, at its meeting on 29 October 1990, the Council announced its objective of stabilizing total CO₂ emissions by 2000 at the 1990 level in the Community as a whole;

4. Whereas a mechanism for monitoring CO₂ and other greenhouse gas emissions was established by Council Decision 93/389/EEC¹;

5. Whereas CO₂ emissions from energy consumption in the Community are likely to increase by about 3% between 1995 and 2000, assuming normal economic growth; whereas it is, therefore, essential to adopt additional measures;

6. Whereas, at its meeting on 25-26 June 1996, the Council noted that in the framework of negotiations seeking a protocol according to the Berlin Mandate, the Second Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) had concluded that the balance of evidence suggests that there is a discernible human influence on global climate change and had stressed the need for urgent action at the widest possible level, noted that significant "no-regrets" opportunities were available and requested the Commission to identify which measures have to be taken at Community level;

7. Whereas with the Green Paper of 11 January 1995² and the White Paper of 13 December 1995³ the Commission communicated to the European Parliament and the Council its views on the future of energy policy in the Community and on the role that renewable energy sources

play;

8. Whereas in its resolution of 4 July 1996 the European Parliament calls on the Commission to implement a Community action plan to promote renewable energy sources;

9. Whereas with the Green Paper of 20 November 1996, Energy for the Future: Renewable sources of energy, the Commission started a process to develop and further implementation of a Community strategy and an action plan on renewable energy sources (RES);

10. Whereas in its resolution of 14 November 1996 on the White Paper of the Commission "An energy policy for the European Union" the European Parliament calls on the Commission to establish a financial programme aimed at promoting sustainable energy;

11. Whereas Article 130a of the Treaty provides that the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion and that, in particular, it shall aim at reducing disparities between the various regions and especially the backwardness of the least-favoured regions; whereas those actions cover *inter alia* the energy sector;

should play;

8. Whereas in its resolution of 4 July 1996⁴ the European Parliament calls on the Commission to implement a Community action plan to promote renewable energy sources;

9. Whereas with the Green Paper of 20 November 1996⁵, Energy for the Future: Renewable sources of energy, the Commission started a process to develop and further implementation of a Community strategy and an action plan on renewable energy sources (RES);

10. Whereas in its resolution of 14 November 1996⁶ on the White Paper of the Commission "An energy policy for the European Union" the European Parliament calls on the Commission to establish a financial programme aimed at promoting sustainable energy; whereas, in its resolution of 15 May 1997⁷ on the communication from the Commission on Energy for the Future: Renewable Sources of Energy - Green Paper for a Community Strategy, the European Parliament considers that it is essential to adopt as soon as possible a strengthened Altener II programme;

11. Whereas Article 130a of the Treaty provides that the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion and that, in particular, it shall aim at reducing disparities between the various regions and especially the backwardness of the least-favoured regions; whereas those actions cover *inter alia* the energy sector;

12. Whereas by Decision 93/500/EEC the Council adopted a Community programme for the promotion of renewable energy sources 'ALTENER' aimed at reducing CO₂ emissions by increasing the market share of renewable energy sources and its contribution to overall primary energy production in the Community; whereas that programme ends on 31 December 1997;
13. Whereas the Community has recognised that the ALTENER programme represents an important element of the Community strategy for reducing CO₂ emissions;
14. Whereas European Parliament and Council Decision 1110/94/EC, as amended by Decision No 616/96/EC, has established a fourth framework programme for research, technological development and demonstration projects; whereas policy in the field of renewable energy sources is an important instrument for the use and promotion of the new energy technologies that the framework programme will develop; whereas the ALTENER II programme is an instrument which complements that programme;
12. Whereas by Decision 93/500/EEC⁸ the Council adopted a Community programme for the promotion of renewable energy sources 'ALTENER' aimed at reducing CO₂ emissions by increasing the market share of renewable energy sources and its contribution to overall primary energy production in the Community; whereas that programme ends on 31 December 1997;
13. Whereas the Community has recognised that the ALTENER programme represents an important element of the Community strategy for reducing CO₂ emissions;
14. Whereas European Parliament and Council Decision 1110/94/EC⁹, as amended by Decision No 616/96/EC¹⁰, has established a fourth framework programme for research, technological development and demonstration projects; whereas policy in the field of renewable energy sources is an important instrument for the use and promotion of the new energy technologies that the framework programme will develop; whereas the ALTENER II programme is an instrument which complements that programme;

14a Whereas furthermore, the Fifth Framework Programme of Research, Technological Development and Demonstration should devote special attention to energy and whereas Altener II should again be an important complementary instrument to this programme;

14b Whereas renewable energy sources are an important energy source for the Community with considerable

commercial potential and whereas their development should therefore be supported through a specific strategy and targeted actions to make them both viable and competitive and thus create a favourable environment for investment;

15. Whereas the increased use of renewable energy sources will have a positive effect both on the environment and on security of energy supplies; whereas a high degree of international co-operation is desirable to achieve the best results;

15. Whereas the increased use of renewable energy sources will have a positive effect both on the environment and on security of energy supplies; whereas only the free and large-scale development of renewable energy sources will make it possible fully to exploit their economic and employment potential; whereas a high degree of international co-operation is desirable to achieve the best results;

16. Whereas a strengthened ALTENER II programme represents an essential instrument for developing the potential of renewable energy sources;

16. Whereas a strengthened ALTENER II programme represents an essential instrument for developing the potential of renewable energy sources; whereas renewable energy sources should account for a reasonable percentage of the European internal energy market;

16a. Whereas the development of renewable energy sources can help create a competitive energy system for the whole of Europe and develop a European renewable energy sources industry, with vast opportunities for the export of know-how and for investment in third countries involving Community participation;

17. Whereas in implementing the programme, there should be close co-operation with other Community actions and programmes also concerned with promoting renewable energy sources;

17. Whereas in implementing the programme, there should be close co-operation with other Community actions and programmes also concerned with promoting renewable energy sources;

18. Whereas it is politically and economically desirable to open the ALTENER II programme to the associated Central and Eastern European countries in accordance with the conclusions of the European Council meeting in Copenhagen on 21 and 22 June 1993, and as outlined in the communication on this subject presented to the Council by the Commission in May 1994, and also to Cyprus;

HAS ADOPTED THIS DECISION:

Article 1

1. A five-year programme of measures and actions to promote renewable energy sources in the Community, called ALTENER II, hereinafter referred to as 'the programme' is hereby established

The objectives of this programme shall be to:

- (a) help create the necessary conditions for the implementation of a Community action plan for renewable energy sources, and in particular the legal, socio-economic and administrative conditions, and to
- (b) encourage private and public investments in the production and use of energy from renewable sources.

The objectives contribute to achieving the overall Community objectives and concerns of limiting CO₂ emissions; increasing the share of renewable energy sources in the energy balance; reducing energy import dependence,

18. Whereas it is politically and economically desirable to open the ALTENER II programme to the associated Central and Eastern European countries in accordance with the conclusions of the European Council meeting in Copenhagen on 21 and 22 June 1993, and as outlined in the communication on this subject presented to the Council by the Commission in May 1994, and also to Cyprus;

HAS ADOPTED THIS DECISION:

Article 1

1. A five-year programme of measures and actions to promote renewable energy sources in the Community, called ALTENER II, hereinafter referred to as 'the programme' is hereby established

The objectives of this programme shall be to:

- (a) help create the necessary conditions for the implementation of a Community action plan for renewable energy sources, and in particular the legal, socio-economic and administrative conditions, and to
- (b) encourage private and public investments in the production and use of energy from renewable sources.

The objectives contribute to achieving the overall Community objectives and concerns of limiting CO₂ emissions, increasing the share of renewable energy sources in the energy balance in accordance with the Community

ensuring the security of energy supply, ~~and~~ fostering economic development, economic and social cohesion and regional and local development.

2. Community financial support shall be granted under the programme for actions meeting the objectives set out in paragraph 1.
3. The annual appropriations for the implementation of the programme shall be authorised by the budget authority within the limits of the financial perspectives.

Article 2

1. The following actions and measures relating to renewable energy sources shall be financed under the programme:
 - (a) studies and other actions, intended to implement and complement Community measures taken to develop the potential of renewable energy sources. These include the development of sectoral and market strategies, the development of norms and standards, grouped procurement and the analysis of the legal, socio-economic and administrative conditions which are more favourable to the market penetration of renewable energies and the preparation of appropriate legislation;
 - (b) pilot actions aimed at creating or extending infrastructures and instruments for the development of renewable energy sources in:

Strategy for renewable energy sources, reducing energy import dependence, ensuring the security of energy supply, fostering economic development, economic and social cohesion and regional and local development, creating new jobs and promoting European industry.

2. Community financial support shall be granted under the programme for actions meeting the objectives set out in paragraph 1.
3. The annual appropriations for the implementation of the programme shall be authorised by the budget authority within the limits of the financial perspectives.

Article 2

1. The following actions and measures relating to renewable energy sources shall be financed under the programme:
 - (a) studies and other actions, intended to implement and complement Community measures taken to develop the potential of renewable energy sources. These include the development of sectoral and market strategies, the development of norms and standards, grouped procurement, comparative studies of the environmental impact and long-term costs and benefits, and the analysis of the legal, socio-economic and administrative conditions which are more favourable to the market penetration of renewable energies and the preparation of appropriate legislation;
 - (b) pilot actions aimed at creating or extending infrastructures and instruments for the development of renewable energy sources in:

- local and regional planning,
- the tools for planning, design and evaluation,
- new financial and market instruments,
- information,
- education and training;

- local and regional planning,
- the tools for planning, design and evaluation,
- new financial and market instruments,
- information,
- education and training;

(c) ~~measures proposed by the Commission~~ to encourage the exchange of experience and know-how aimed at improving co-ordination between international, Community, national, regional and local activities; establishment of a centralised system for collecting, prioritising and circulating information and know-how on renewable energy sources;

(c) measures to encourage the exchange of experience and know-how aimed at improving co-ordination between international, Community, national, regional and local activities; establishment of a centralised system for collecting, prioritising and circulating information and know-how on renewable energy sources;

~~(d) measures to encourage the exchange of experience and know-how, proposed by an entity other than the Commission;~~

(d) Deleted

(e) targeted actions facilitating the market penetration of renewable energy sources and encouraging investment, by assisting the preparation and presentation of implementation projects.

(e) targeted actions facilitating the market penetration of renewable energy sources and related know-how, supporting the transition between demonstration and commercialisation, and encouraging investment, by assisting the preparation and presentation of implementation projects.

(f) actions intended to:

- monitor the implementation of the Community strategy and action plan for the development of renewable energy sources;
- support initiatives taken in implementing the action plan, particularly with a view to promoting better co-ordination and greater synergy between actions, ~~including all Community funded~~

(f) actions intended to:

- monitor the implementation of the Community strategy and action plan for the development of renewable energy sources;
- support initiatives taken in implementing the action plan, particularly with a view to promoting better co-ordination and greater synergy between actions, such as those funded by the

activities;

- monitor the progress achieved by the Community and its Member States with regard to the development of renewable energy sources;
- evaluate the impact and cost effectiveness of measures undertaken under this programme. This evaluation will also take into account the environmental and social aspects.

2. The aim of the targeted actions referred to in point (e) of paragraph 1 is to facilitate and accelerate investment in new operational capacity for the production of energy from renewable sources by providing financial support in order to reduce the peripheral and service costs of renewable energy projects, and thus overcome the non technical obstacles present.

This action shall promote, *inter alia*; access to specialised advice, analysis of market prospects, choice of location of projects, application for construction and operation permits, establishment of financing plan, preparation of calls for tender, training of operators, and plant commissioning.

The targeted actions will concern projects carried out in the following areas :

- biomass, including energy crops, fire wood, residues from forestry and agriculture, municipal waste, liquid biofuels and biogas,
- thermal and photovoltaic solar systems,
- passive and active solar systems in

Community, including the European Investment Bank,

- monitor the progress achieved by the Community and its Member States with regard to the development of renewable energy sources;
- evaluate the impact and cost effectiveness of measures undertaken under this programme. This evaluation will also take into account the environmental and social aspects, including job creation.

2. The aim of the targeted actions referred to in point (e) of paragraph 1 is to facilitate and accelerate investment in new operational capacity for the production of energy from renewable sources by providing financial support in order to reduce the peripheral and service costs of renewable energy projects, and thus overcome the non technical obstacles present.

This action shall promote, with particular reference to SMEs, *inter alia*; access to specialised advice, analysis of market prospects, choice of location of projects, application for construction and operation permits, establishment of financing plan, preparation of calls for tender, training of operators, and plant commissioning.

The targeted actions will concern projects carried out in the following areas :

- biomass, including energy crops, fire wood, residues from forestry and agriculture, non-recyclable municipal waste, liquid biofuels and biogas,
- thermal and photovoltaic solar systems,
- passive and active solar systems in

- buildings,
- small scale (< 10 MW) hydroelectric projects,
- wind power,
- geothermal energy;

Article 3

1. All costs relating to the actions and measures referred to in points (a), (c) and (f) of Article 2(1) shall be borne by the Community.
2. The level of funding under this programme for the actions and measures referred to in points (b) and (d) of Article 2(1) may not exceed 50% of their total cost, the balance being made up from either public or private sources or a combination of the two.
3. The level of funding under this programme for the actions and measures referred to in Article 2(e) shall be established annually for each of the targeted actions in accordance with Article 4.(2).

Article 4

1. The Commission shall be responsible for the implementation of the programme.
2. The conditions and guidelines applicable to funding for the actions and measures referred to in Article 2 (1) shall be defined annually, regard being had to:
 - (a) the priorities set out by the Community and the Member States in their programmes for the promotion of renewable energy sources;

- buildings,
- small scale (< 10 MW) hydroelectric projects,
- wind power,
- geothermal energy;

Article 3

1. All costs relating to the actions and measures referred to in points (a), (c) and (f) of Article 2(1) shall be borne by the Community.
2. The level of funding under this programme for the actions and measures referred to in point (b) of Article 2(1) may not exceed 50% of their total cost, the balance being made up from either public or private sources or a combination of the two.
3. The level of funding under this programme for the actions and measures referred to in Article 2(e) shall be established annually for each of the targeted actions in accordance with Article 4.(2).

Article 4

1. The Commission shall be responsible for the implementation of the programme.
2. The conditions and guidelines applicable to funding for the actions and measures referred to in Article 2 (1) shall be defined annually, regard being had to:
 - (a) the priorities set out by the Community and the Member States in their programmes for the promotion of renewable energy sources;

(b) criteria relating to the profitability and development potential of renewable energy sources and their effects on employment and the environment, in particular the reduction of CO₂ emissions;

(c) for the actions referred to in point (e) of Article 2 (1), the relative cost of the assistance, the new production capacity expected to arise and the extent of transregional and /or transnational benefit;

(d) the principles established in Article 92 of the Treaty and the relevant Community guidelines on State aid for environmental protection.

The Committee referred to in Article 5 shall assist the Commission in defining these conditions and guidelines.

Article 5

The Commission shall be assisted by an advisory committee composed of representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes: in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of

(b) criteria relating to the profitability and development potential of renewable energy sources and their effects on employment and the environment, in particular the reduction of CO₂ emissions;

(c) for the actions referred to in point (e) of Article 2 (1), the relative cost of the assistance, the long-term commercial viability, the new production capacity expected to arise and the extent of transregional and /or transnational benefit;

(d) the principles established in Article 92 of the Treaty and the relevant Community guidelines on State aid for environmental protection.

The Committee referred to in Article 5 shall assist the Commission in defining these conditions and guidelines.

Article 5

The Commission shall be assisted by an advisory committee composed of representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes: in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of

the manner in which its opinion has been taken into account.

Article 6

1. During the course of the second year of the programme, the Commission shall present a report to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, on the measures taken to promote renewable energy sources at the level of the Community and of the Member States, with reference in particular to the objectives set out in Article 1. This report shall be accompanied by proposals for any amendments to the programme which may be necessary in the light of those results.
2. On expiry of the programme, the Commission shall assess the results obtained from the application of this Decision and the consistency of national and Community actions. It shall present a report thereon to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

Article 7

This programme shall be open to participation by associated Central and Eastern European Countries (CEECs) in accordance with the conditions, including financial provisions, laid down in the additional protocols to the Association Agreements or in the Association Agreements themselves, relating to participation in Community programmes. This programme shall be open to participation by Cyprus on the basis of additional appropriations under the same rules as those applied to EFTA/EEA countries, in accordance with procedures to be agreed with this country.

the manner in which its opinion has been taken into account.

Article 6

1. During the course of the second year of the programme, the Commission shall present a report to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, on the measures taken to promote renewable energy sources at the level of the Community and of the Member States, with reference in particular to the objectives set out in Article 1. This report shall be accompanied by proposals for any amendments to the programme which may be necessary in the light of those results.
2. On expiry of the programme, the Commission shall assess the results obtained from the application of this Decision and the consistency of national and Community actions. It shall present a report thereon to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

Article 7

This programme shall be open to participation by associated Central and Eastern European Countries (CEECs) in accordance with the conditions, including financial provisions, laid down in the additional protocols to the Association Agreements or in the Association Agreements themselves, relating to participation in Community programmes. This programme shall be open to participation by Cyprus on the basis of additional appropriations under the same rules as those applied to EFTA/EEA countries, in accordance with procedures to be agreed with this country.

Article 8

This Decision shall apply from 1 January 1998 to 31 December 2002.

Article 8

This Decision shall apply from 1 January 1998 to 31 December 2002.

Article 9

This Decision is addressed to the Member States.

Article 9

This Decision is addressed to the Member States.

-
- 1 OJ No L 167, 9.7.1993, p. 31.
 - 2 COM (94) 659 of 11.01.1995
 - 3 COM (95) 682 of 13.12. 1995
 - 4 OJ No C 211, 22.7.1996, p. 27.
 - 5 COM (96) 576 final of 20.11.1996
 - 6 OJ No C 362, 2.12.1996, p. 279.
 - 7 OJ No C 167, 2.6.1997, p. 160.
 - 8 OJ No L 235, 18.9.1993, p.41.
 - 9 OJ No L 126, 18.5.1994, p. 1.
 - 10 OJ No L 86, 4.4.1996, p. 69.

ISSN 0254-1475

COM(97) 646 final

DOCUMENTS

EN

12 01

Catalogue number : CB-CO-97-656-EN-C

ISBN 92-78-28313-4

Office for Official Publications of the European Communities

L-2985 Luxembourg