

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 312 final

Brussels, 21st June 1979

## NEW LINES OF ACTION BY THE EUROPEAN COMMUNITY IN THE FIELD OF ENERGY SAVING

(Communication by the Commission to the Council)

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- 1) The present difficulties in oil supply require efforts to limit oil consumption which, although partly based on cutting waste, must also appeal to a spirit of sacrifice and good citizenship. As such, many of the measures adopted to deal with the present situation are by their nature of a temporary character. High priority should therefore also be given to strengthening the medium and long term energy saving policy.
  
- 2) In its "Third Report on the Community's programme for Energy Saving" (\*), the Commission examines the progress made so far, both at Member States and at Community level, analyzes the principal issues for the energy saving policy in the next few years, and indicates new lines of action (\*\*). A Council Resolution concerning the programme of action by the European Community in the field of energy saving is proposed for those lines of action where an endorsement of the Commission's intentions by the Council is required for further progress to be made.
  
- 3) The Community as a whole has already made good progress since 1974, compared with other industrialized countries. As a result of higher prices and of the Member States' programmes already in force it is estimated that, in 1977, savings of some 80 Mio toe (about 8 % of energy requirements) had been achieved. However, to reach the objectives established for 1985, further annual savings of at least 1 % of energy requirements should be achieved each year in the next 6 years on a permanent basis.
  
- 4) The energy saving potential of the European economy is considerable. Analysis based on cautious assumptions about technology and responsiveness to higher prices indicates that energy conservation could well become the single most important contributor, other than oil, to the energy balance of the Community by the turn of the century. However, the full implementation of this potential implies :                   ...

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(\*) COM (79) 313

(\*\*) Energy saving policies are placed in the context of the general energy policy objectives in the separate paper on Community energy policy objectives for 1990. - COM (79) 316

- a) changes in consumers' behaviour and preferences ;
  - b) an accelerated market penetration of energy saving technologies in the industrial, domestic and transport sectors. In this sense energy conservation will be largely the result of a sustained effort of investment to modernize and replace our equipment and buildings.
- 5) Energy conservation, as a medium term goal, should therefore not be seen as a factor that will make us less prosperous. Quite the contrary, if applied successfully, it should provide an important stimulus to the development of new industries, products and services, and hence jobs. It may indeed make the difference between a balance of supply and demand for energy achieved at the price of low growth and social tensions, and a balance compatible with sustained growth.
- 6) Governments have a key role to play in creating the right economic, social and political environment.
- a) Pricing policies should be adjusted to give proper weight to energy conservation and play an appropriate steering role for the necessary adaptation of the economy. Measures that could make the evolution of energy prices for domestic consumers diverge from the long term trend of the cost of supply should therefore be avoided.
  - b) A sustained level of public financial support for energy saving investments, particularly for buildings and industry, will remain necessary to promote investments that are cost-effective from the point of view of the economy as a whole and to overcome psychological or financial difficulties on the part of individual investors.
  - c) Legislative actions are necessary in some cases, particularly in buildings, but with due regard to their social and industrial implications.
  - d) Information and education efforts should include education in schools, professional training related to energy saving techniques, as well as general information for the consumers.
- 7) The implementation of energy saving policies is primarily the responsibility of the Member States. However, their policies should be seen to be converging towards a common objective. The progress made towards the achievement of the objectives previously set for 1985 justifies determining now a

new, longer-term objective for 1990. Thus the resolution proposes an objective for 1990 which is gradually to reduce the ratio between economic growth and the growth in energy requirements progressively below 0.7 by 1990.

8) This target will be achieved only on two conditions:

- a) That comparable efforts are made by all Member States. A collective commitment should therefore be made by the Council of Ministers to implement, by 1980, in all Member States, energy saving programmes including appropriate pricing practices, adapted to the various national situations, but comparable in their effects.
- b) That policies are implemented in a flexible way in order to take quick advantage of the developing knowledge of best practice and the lessons of experience. All programmes, including those of Member States that have made the greatest efforts are really of an experimental nature. A detailed comparison and monitoring of results at the level of the Community can be of significant help in the development and implementation of national programmes.

9) Two new lines of action at the Community level are proposed in the resolution, to avoid potential conflicts between Member States' measures, and with Community objectives such as the free circulation of goods and services.

- a) Taking into account the importance of the automobile industry in the context of European economy, and the need to develop an effective approach to energy conservation in this important sector, public authorities should negotiate at the level of the Community with European car manufacturers, on the basis of discussions already under way in some Member States, the fixing of voluntary indicative targets for the reduction of fuel consumption by motor cars and light vans. The Commission will make any proposals eventually thought necessary concerning ways to favour the achievement of these objectives, and to follow their implementation.
- b) Standards related to energy consumption are a useful tool for energy saving policies and an important reference for purchasers and consumers. The work of international bodies concerned with the technical specification of standards related to energy consumption should therefore be accelerated through a joint effort of the Commission and the Member States.

10) The Council is invited to take note of the report by the Commission (COM (79) 313) and to approve the attached resolution.

PROPOSAL FOR A COUNCIL RESOLUTION  
concerning new lines of action by the  
European Community in the field of energy saving

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having taken note of the Communication to the Council entitled "Third Report on the Community's programme for energy saving".

Considering the Council's resolution of 17 December 1974 concerning the fixing of objectives for 1985 for Community energy policy and concerning a Community action programme for the rational use of energy; considering the conclusions of the meetings of the Heads of State and of Government of the European Community on 6 and 7 July 1978 and on 12 and 13 March 1979, which have reaffirmed the objectives for the rational use of energy for 1985, and have enlarged upon them;

Considering the need to determine objectives for 1990 for the Community to save energy;

Considering that the Member States and the Community as a whole have in general made good progress towards achieving the objectives set for 1985;

Considering, however, that every Member State should contribute to the achievement of the Community's objectives by the adoption of comparable programmes for saving energy, with due regard to Member States' individual circumstances;

Considering that co-ordination of Member States' programmes, and where necessary, specific actions at a Community level, can contribute to better results, in conformity with the Treaties;

1. Approves the objective of reducing the ratio between the rate of growth in gross primary energy consumption and the rate of growth in gross national product progressively below 0.7 by 1990;

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2. Agrees that Member States shall adopt by 1980 energy saving programmes with comparable effects, including appropriate energy pricing practices, based on the guidelines attached to the present resolution, but adapted to specific internal priorities and conditions of the Member States.
  
3. Agrees that,
  - 3.1. Voluntary indicative targets for the fuel consumption of motor cars and light vans should be established at Community level in co-operation with the automobile industry. The Council invites the Commission to make the necessary contacts with the industry, taking into account discussions already undertaken in some Member States, with a view to obtaining the commitments enabling the achievement of these objectives, and to present to it a report as soon as possible.  
  
The Council invites the Commission to accelerate the completion of the remaining technical work to develop a standard method of measuring fuel consumption by vehicles, which takes proper account of the structure of the European market, with a view to the rapid approval of such a standard method by the Council.
  - 3.2. Efforts should be made to accelerate the work of the international bodies concerned with the technical specification of international standards for measuring energy consumption, especially those related to the performance of heat generators and domestic appliances.
  
4. Invites the Commission to continue to report on the progress made towards achieving the Community's objectives for saving energy, having regard to this present resolution and to the "Third Report on the Community's programmes for energy saving".

Outline of a basic programme for saving energy,  
recommended to every Member State of the European Community

A. Energy pricing practices

Energy pricing practices should reflect the following principles:

- (i) Taxes on energy should be maintained or even increased to reflect the scarcity of energy as a factor of production.
- (ii) Energy prices should be linked to the long run costs of replacing and developing energy resources.
- (iii) Energy prices in the market should be subject to the greatest possible degree of transparency. Publicity about energy prices, and the costs and consumption of equipment using energy should be developed as widely as possible.

B. Specific measures to encourage the rational use of energy

1. Energy saving in the home

- A substantial upward revision in mandatory thermal performance requirements for new buildings and heating systems;
- Regulations to ensure individual metering and billing and control of heating systems in multi-occupied buildings;
- Performance standards and control of servicing of heating systems;
- Publicity campaigns and advice centres for energy saving in the home;
- Financial aids for retrofitting as necessary existing houses, an exemplary programme for dwellings in public ownership;
- Labelling to indicate the energy consumption of domestic appliances.

2. Energy saving in industry

- Requirements for energy audits, especially in industries consuming large volumes of energy;

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- Financial aids for advice and expertise for small and medium-sized businesses, publicity campaigns;
- Financial aids, tax credits to support investment to save energy;
- Financial aids to promote the commercialization of new technologies, equipment, designs for energy saving (demonstration projects).

3. Energy saving in offices, commerce

- An exemplary public sector programme;
- Mandatory building codes for new offices;
- Performance standards and control of servicing of heating, cooling and ventilation systems.

4. Energy saving in transport

- Information and publicity campaigns;
- Implementing standard tests of the efficiency of fuel use, and publicity;
- Discussions with industry on voluntary targets for the efficiency of fuel use of new cars.

5. Energy production

- Measures to encourage the rational production and use of heat and power.

6. Information and education

- Sustained programmes of publicity about energy saving;
- Educational programmes in schools, technical colleges and universities and for professional retraining.

7. Sustained efforts in research, development and demonstration