

COMMISSION OF THE EUROPEAN COMMUNITIES

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INVESTMENT PROJECTS IN THE ELECTRICITY SECTOR OF THE COMMUNITY

(Communication from the Commission to the Council)

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INTRODUCTION

1. Information concerning investment projects in the electricity sector of the Community is communicated annually to the Commission by the Member States' governments under the provisions of Council Regulation No. 1056/72 (*). A Commission paper reviewing the information relating to the situation as at 1.1.1977 was discussed by the Energy Committee on 31.1.1978 (**). The purpose of the present communication is to bring to the attention of the Council the fact that the Community is still constructing and planning too little coal-fired generating capacity, and will continue to rely too strongly on oil, if Member States do not try to convert oil-fired plants under construction or planned to coal.

THE SITUATION IN THE CONVENTIONAL THERMAL POWER STATION SECTOR

2. On the basis of provisional information as at 1 January 1978, the critical situation is revealed by the following table:

<u>Fuel-burning possibilities</u>	<u>Commissioned in 1976</u>	<u>Under construction</u> A	<u>Planned</u> B	<u>Total (A+B)</u>
		- MW -		
Hard coal	2530	5404	4177	9521
- of which, coal only	1810	3154	2937	6091
Oil	5895	22162	4520	26682
- of which, oil only	3380	16582	2960	19542
Undecided	-	-	7900	7900

The last column of the table shows that the coal-burning plant under construction and planned was heavily outweighed by oil-burning plant.

(*) As modified by Council Regulation No. 1215/76.

(**) Document COM/ENER 77/32.

3. This development clearly runs contrary to the objective of reducing Community dependence upon imported oil. On present information, the monovalent oil-burning capacity under construction does not contravene the directive No. 405/75 (*) since authorisations were granted before the directive came into effect.
4. On the other hand, it must be noted that even if all the "undecided" category of planned capacity in the last line of the table were to be committed to coal, we would still be some 12500 MW short of the additional 30000 MW necessary to attain the hard coal burn objective of 150 Mtce (**) in 1985.
5. Of the monovalent oil capacity under construction, Member State governments show a reluctance to consider more than about 1600 MW, which could qualify for conversion to having a coal-burning possibility. Furthermore government officials saw no likelihood of changing existing plans for new oil-burning capacity in favour of coal.

CONCLUSION

6. The Council is invited to conclude:

- (i) that the momentum of construction of oil-burning power stations decided before the 1975 directive (*) is so high as to give concern as to the dependence it implies upon imported oil supplies.
- (ii) That serious review should be made of all planned oil-fired power stations with a view to building them with a coal-burning possibility or, failing that, to consider abandoning plans for any oil-fired stations where construction can be avoided; and that serious consideration should be given to providing a coal-burning possibility by conversion of oil-fired plants which are still under construction.

(*) Council directive No. 75/405/EEC on the restriction of the use of petroleum products in power stations.

(**) Proposal for a Council Regulation on Community financial measures to promote the use of coal for electricity generation
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