

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 567 final  
UNIVERSITY OF PITTSBURGH  
Brussels, 8 October 1980

PROPOSAL FOR A COUNCIL REGULATION  
(EEC) AMENDING REGULATION (EEC) No 725/79 AS  
REGARDS THE GRANTING OF FINANCIAL SUPPORT FOR DEMONSTRATION  
PROJECTS IN THE FIELD OF ENERGY SAVING

---

PROPOSAL FOR A COUNCIL REGULATION  
(EEC) AMENDING COUNCIL REGULATION (EEC) No 726/79 AS  
REGARDS THE GRANTING OF FINANCIAL SUPPORT FOR PROJECTS  
TO EXPLOIT ALTERNATIVE ENERGY SOURCES

---

(Presented by the Commission to the Council)

COM(80) 567 final



EXPLANATORY MEMORANDUM

1. On 12 June 1978 the Council, acting on a proposal from the Commission, adopted Regulation (EEC) No 1303/78 (1) on the granting of financial support for demonstration projects in the field of energy saving.

2. On 9 April 1979 the Council adopted Regulation (EEC) No 725/79 (2) fixing the maximum amount of aid to be made available pursuant to Regulation (EEC) No 1303/78. The maximum amount of this aid was fixed at 55 m EUA over four years.

At its meeting dealing with energy on 27 March 1979 (3), the Council considered that this allocation of 55 m EUA was sufficient to cover the full span of the programme. When fixing this overall ceiling, the Council stated, however, that it did not rule out the possibility of re-examining the problem of this limited figure in the light of the experience gained following implementation of the programme.

3. More than 320 proposals were sent to the Commission in response to the first call for submissions which it published on 4 July 1978 (4). Fifty-three of these, involving financial support to a total of 21.4 m EUA, were accepted (5). Twelve proposals involving 4.400.000 EUA were withdrawn.

A total of 304 proposed projects were recorded in response to the second call for projects published on 26 September 1979 (6). On 29 July 1980 the Commission decided to grant financial support totalling of 27.147.442 EUA to 60 demonstration projects.

---

(1) OJ L 158, 16.6.1978

(2) OJ L 93, 12.4.1979

(3) Doc. 6130/79 (ENER 42)

(4) OJ C 158 of 4.7.1978, P. 2

(5) 20 m EUA from the 1978 and 1979 Budgets and 1.4 m EUA to be repaid in 1980 from a provisional transfer within Item 3200 of the 1979 Budget from the hydrocarbons programme.

(6) OJ C 244, 21.9.1979.

Because of budgetary limitations, this selection could not include other projects which the Commission and the Advisory Committee on Programme Management (ACPM) considered to be potentially interesting demonstration projects.

4. On 27 and 28 April 1980 the European Council reaffirmed the need for pursuing and expediting a policy of energy savings and rational use of energy. Furthermore, on 6 June 1980 the Council adopted a resolution concerning new lines of action by the Community in the field of energy saving.

5. In view of the above and as only 10 m EUA would remain for 1981 and 1982 from the four-year budgetary allocation of 55 m EUA, and as at least 30 m EUA would be needed for 1981 and 35 m EUA for 1982 to continue the programme harmoniously and without interruption, the Commission proposes that the Council amend Regulation (EEC) No 725/79 of 9 April by increasing the existing budgetary allocation of 55 m EUA, thus bringing the total allocation for the programme to 110 m EUA.

6. The sole objective of this programme is therefore to ensure the normal financing of the programme until it expires after four years, in line with Regulation (EEC) No 1303/78.

7. The Commission has, formally and repeatedly made known its objections to the unilateral fixing, by the Council, of financial ceilings in the provisions of its Regulations and Decisions.

In a declaration that was noted in the Council's minutes, the Commission considered that "the respect due to the powers of the Parliament with regard to non-obligatory expenditure implies that figures should not be included in the Council Regulation except by way of illustration with the sole aim of enabling the budgetary authority to have a reasonable idea of the volume of expenditure that will probably be involved".

On the occasion of the present Regulation the Commission once more reiterates its request that the new total amount of financial aid should appear only by way of illustration.

---

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 725/79 as regards the granting of financial support for demonstration projects in the field of energy saving

---

THE COUNCIL OF THE EUROPEAN COMMUNITIES

HAVING regard to Council Regulation (EEC) No. 1303/78 of 12 June 1978 on the granting of financial support for demonstration projects in the field of energy saving (1), and in particular Article 10 thereof,

HAVING regard to the proposal from the Commission (2),

HAVING regard to the opinion of the European Parliament (3),

WHEREAS the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1303/78 was fixed by Council Regulation (EEC) No 725/79;

WHEREAS the developments that have occurred in the energy sector since the entry into force of Regulation (EEC) No 725/79 make it necessary to increase the finance for the energy-saving sector initially fixed at 55 million EUA, in order to expedite the application of energy-saving technologies, processes and equipment;

WHEREAS the Commission has submitted to the Council estimates relating to expenditure for the overall four-year programme,

./.

---

(1) OJ No L 158, 16.6.1978, p. 6

(2)

(3)

(4) OJ No L 93, 12.4.1979, p. 1

HAS ADOPTED THIS REGULATION

Article 1

The Sole Article of Regulation (EEC) No 725/79 is replaced by the following:

"Sole Article

The maximum amount of aid to be granted pursuant to Regulation (EEC) No 1303/78 is hereby estimated at 110 million European units of account for the whole of the four-year programme. This figure is given purely for guidance purposes."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,

The President

7

EXPLANATORY MEMORANDUM

1. The Council, acting on a proposal from the Commission, adopted, on 12 June 1978, Regulation (EEC) No 1302/78<sup>1</sup> on the granting of financial support for projects to exploit alternative energy sources. Three Regulations implementing this Regulation in respect of solar energy<sup>2</sup>, the liquefaction and gasification of solid fuels<sup>3</sup>, and geothermal energy<sup>4</sup> were adopted on 9 April 1979.

2. Council Regulation (EEC) No 726/79 of 9 April 1979<sup>5</sup> laid down the maximum amount of aid to be granted to these projects over a five-year period. Of a total 95 m EUA, the following maxima are established:

(million EUA)

- liquefaction and gasification of solid fuels;	50
- exploitation of geothermal fields;	22.5
- exploitation of solar energy;	22.5

3. The Commission has proposed to the Council that Regulation No 726/79 be amended in such a way that the maximum amount for the whole range is fixed, by way of illustration, at 145 m EUA, the amount for the liquefaction and gasification of solid fuels likewise being raised, from 50 to 100 m EUA<sup>6</sup>.

4. Stepping up efforts to promote new forms of energy with a view to reducing dependence on imported oil is in keeping with the guidelines approved by the Council which themselves in no way conflict with the repeated declarations of the European Council.

---

<sup>1</sup>(EEC) no 1302/78, OJ no L 158, 16.6.1978.

<sup>2</sup>(EEC) No 727/79, OJ L 93, 12.4.1979.

<sup>3</sup>(EEC) No 728/79, OJ L 93, 12.4.1979.

<sup>4</sup>(EEC) No 729/79, OJ L 93, 12.4.1979.

<sup>5</sup>(EEC) No 726/79, OJ L 93, 12.4.1979.

<sup>6</sup>COM(79)623 final, 29.11.79.



5. The calls for projects made by the Commission pursuant to Regulations No 727/79 and No 729/79 revealed the interest shown by industry and local authorities for Community aid to projects using solar energy and geothermal energy.

The following figures bear witness to this:

	Solar energy	Geothermal energy
<u>First calls for projects (1979)</u>		
(a) - proposals received (number)	135	36
- total value of investment (m EUA)	108	150
- aid requested (m EUA)	43	50
(b) - projects adopted:		
. number	26	13
. value of investment (m EUA)	26.5	70
. aid granted (m EUA)	6.3	9
<u>Second calls for projects (1980)</u>		
(a) - proposals received	151 (*)	33
- total value of investment (m EUA)	117	164
- aid requested (m EUA)	47	54
(b) - projects adopted		
. number	-	17
. value of investment (m EUA)	-	132
. aid granted	-	10

\* including 47 for solar-heated swimming pools only.

The replies received also revealed the existence of a large number of high-quality projects meeting the criteria contained in the Regulations and thus eligible for aid.

<sup>1</sup> Council resolution of 9 June 1980 concerning Community energy policy objectives for 1990 and convergence of the policies of the Member States, OJ No. C 149, 18.6.1980.

6. Some 6.3 m EUA of the total 22.5 m EUA available have already been allocated in the solar energy sector. The remaining 16.2 m EUA will probably be used up by the end of the year following the decision that will be taken on granting aid to the projects put forward in the second call for projects.

7. Some 3.5 m EUA of the total 22.5 m EUA still remain available for the geothermal energy sector following the decision on a second call for projects taken by the Commission on 24 July 1980.

8. The remaining funds would not permit normal and efficient continuation of the five-year programme launched in the solar and geothermal energy sectors by Regulation (EEC) No 1302/78.

The ceiling should therefore be raised, as it has already been for coal liquefaction and gasification ( - already dealt with in a proposal along these lines - see (3) above).

9. The Commission therefore proposes that the Council adopt the attached draft Regulation amending Regulation (EEC) No 726/79 in order to double the maximum amounts - by way of illustration - for solar and geothermal energy.

10. The Commission has, on several occasions and with the fullest formality, formulated objections to the unilateral fixing, by the Council, of financial ceilings in the provisions of its Regulations and Decisions.

In a declaration that was noted in the Council's minutes, the Commission considered that "the respect due to the powers of the Parliament with regard to non-obligatory expenditure implies that figures should not be included in the Council Regulation except by way of illustration with the sole aim of enabling the budgetary authority to have a reasonable idea of the volume of expenditure that will probably be involved".

On the occasion of the present proposal for a Regulation the Commission once more reiterates its request that the new total amount of financial aid should appear only by way of illustration.

ANNEX

Proposal for a  
COUNCIL REGULATION (EEC)

amending Council Regulation (EEC) No 726/79 as regards the granting of financial support for projects to exploit alternative energy sources

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources<sup>1</sup>, and in particular Article 11 thereof,

Having regard to the proposal from the Commission<sup>2</sup>,

Having regard to the opinion of the European Parliament<sup>3</sup>,

WHEREAS the maximum amount of aid to be made available pursuant to Council Regulation (EEC) No 1302/78 was fixed by Council Regulation (EEC) No 726/79<sup>4</sup>;

WHEREAS the developments that have occurred in the energy sector since the entry into force of Council Regulation (EEC) No 726/79 make it necessary to increase the finance for solar energy and geothermal energy, initially fixed at 22.5 m EUA for each sector, in order to expedite the application of these technologies;

WHEREAS the Commission has submitted to the Council estimates relating to expenditure for the overall five-year programme and for its various sectors;

<sup>1</sup>OJ No L 158 of 16.6.1978, p. 3

<sup>2</sup>OJ

<sup>3</sup>OJ

<sup>4</sup>OJ No L 93 of 12.4.1979, p. 2.

HAS ADOPTED THIS REGULATION

Article 1

The Sole Article of Regulation (EEC) No 726/79 is replaced by the following:

"Sole Article

1. The maximum amount of aid to be granted pursuant to Regulation (EEC) No 1302/78 is hereby estimated, by way of illustration, at 200 million European units of account for the whole of the five-year programme.

2. The following maxima are estimated by way of illustration, for the following sectors:

(million EUA)

- |  |     |
|--|-----|
| - liquefaction and gasification of solid fuels | 100 |
| - exploitation of geothermal fields            | 50  |
| - exploitation of solar energy                 | 50  |

3. The figures contained in the first and second paragraphs are given purely for guidance purposes.

The Commission may, within the limit of 200 million European units of account, modify this apportionment by up to 10% of any of the sectoral amounts."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg

For the Council,

The President