

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

476th meeting of the Council

- Energy -

Luxembourg, 25 October 1977

President: Mr Willy CLAES,
Minister for Economic Affairs
of the Kingdom of Belgium

25.X.77

Netherlands:

Mr R.P.M. LUBBERS

Minister for Economic Affairs

United Kingdom:

Mr Tony BENN

Secretary of State for Energy

Mr Alexander EADIE

Parliamentary Secretary of State,
Department of Energy

Commission:

Mr Guido BRUNNER

Member

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SUPPORT FOR COMMUNITY PROJECTS IN THE HYDROCARBONS SECTOR

The Council adopted a Decision concerning support measures for Community projects in the hydrocarbons sector.

Under this decision, subsidies - repayable in the event of commercial exploitation - totalling 53,408,611 UA will be granted for the period 1977-1979, for the implementation of 40 projects which are of fundamental importance in ensuring the Community's supply of hydrocarbons which are particularly likely to accelerate the development of resources and to improve the storage and transport conditions for hydrocarbons in the Community.

The projects which are to receive Community support under this Decision are in particular concerned with prospecting, drilling, hydrocarbon production and processing systems, secondary recovery, the different means of transport and storage and the testing of materials.

REFINING PROBLEMS WITHIN THE COMMUNITY . . .

The Council examined a number of matters relating to the definition of a Community approach to refining problems within the Community.

The Council's discussions centered mainly on the question of establishing general monitoring of developments in the refining sector, a procedure for consultation on the construction of new primary distillation capacity and a procedure for monitoring imports of refined products from third countries.

The Council instructed the Permanent Representatives Committee to carry out the preparatory work for future Council discussions on this subject.

IMPORTS OF HARD COAL ORIGINATING IN THIRD COUNTRIES

The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, agreed in principle to a Decision concerning Community surveillance of imports of hard coal originating in third countries.

This Decision provides that for a trial period of two years information on imports of coal from third countries is to be obtained in the Member States and automatically sent to the Commission so that the latter may prepare reports on and estimates of the trends on the common market in coal.

The information to be forwarded by the Member States to the Commission for each quarter is to give firstly particulars of the tonnage of steam coal imported, with a breakdown by country of origin and an indication of the calorific value, and secondly the average quarterly prices per tonne of such imports.

PROBLEMS RELATING TO COAL

Following an exchange of views on problems relating to coal in the context of Community policy, the Council asked the Commission to give further consideration to the problems raised during examination of its proposals on the grant of aid for the use of coal in electricity generation and for financing cyclical stocks of hard coal, with a view to submitting new proposals on these matters if appropriate.

It instructed the Permanent Representatives Committee to continue its examination of these problems to enable the Council to include them on the agenda for its meeting in December.

ENERGY REDUCTION IN THE EVENT OF SUPPLY DIFFICULTIES

The Council recorded its agreement on the substance of Community arrangements for reducing the consumption of energy in the event of difficulties in the supply of crude oil or petroleum products.

The arrangements provide for a uniform policy among the Member States for the purpose of preserving the unity of the market and ensuring that all energy consumers in the Community bear their fair share of the difficulties arising from the crisis.

The system also provides for the savings in petroleum products to be shared out among the Member States.

RATIONAL USE OF ENERGY

In the framework of the second set of measures proposed by the Commission relating to the rational use of energy, the Council adopted in the official languages of the Communities three Recommendations on

- the regulating of space heating, the production of domestic hot water and the metering of heat in new buildings
- the rational utilization of energy in industrial undertakings
- the creation of national advisory bodies on combined heat and power production in the industrial sector and for district heating.

DEMONSTRATION PROJECTS IN ENERGY SAVING

To enable it to hold a worthwhile discussion on the Commission proposal on the granting of financial aid for demonstration projects in energy saving at its meeting in December, the Council drew up certain guidelines for the examination of the proposal in question.

In particular it asked the Commission to prepare, with the assistance of the parties concerned, a file containing a set of examples of projects which would make it possible to determine the scope of any Community programme which might be adopted in this field and also the type and volume of financial aid which might prove justified.

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The Council agreed to defer the other items still on the agenda until its next meeting on energy questions, scheduled for 13 December.

MISCELLANEOUS DECISIONS

The Council adopted, in the official languages of the Communities, the Decision subscribing to a joint declaration of intent to implement a European project on the subject of "Electronic traffic aids on major roads" (COST Project 30).

NOTE BIO(77)365 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE, AU DIRECTEUR GENERAL DG I ET A M OPITZ,
DG VIII

SUBJECT : PREVIEW OF COUNCILS FOR RESEARCH AND FOR ENERGY AND
PRESS CONFERENCE BY MR GUIDO BRUNNER

THE COUNCILS FOR RESEARCH AND FOR ENERGY WILL BE TAKING PLACE IN
LUXEMBOURG TOMORROW (TUESDAY).

THE RESEARCH COUNCIL HAS BUT ONE SINGLE ITEM ON THE AGENDA: THE
PROBLEM OF THE SITE FOR THE COMMUNITY'S JET PROJECT. THIS
MEETING WAS DECIDED ON LAST WEEK DURING THE MEETING OF FOREIGN
MINISTERS WHEN WORD ARRIVED THAT THE UNITED KINGDOM AND GERMANY
WERE READY TO SETTLE THE QUESTION OF WHETHER JET SHOULD GO TO
GARCHING (FED. REP. OF GERMANY) OR CULHAM (UNITED KINGDOM) BY
CONSENSUS. MR. SIMONET, THE PRESIDENT IN OFFICE SAID HE WOULD
PRESIDE OVER THE COUNCIL. AT HIS PRESS CONFERENCE TODAY MR.
BRUNNER WOULD NOT SPECULATE OVER WHICH SITE WOULD COME OUT THE
WINNER. ANSWERING QUESTIONS HOWEVER HE MADE THE FOLLOWING
POINTS: ALL MEMBER STATES WILL HAVE A CHANCE OF
TAKING PART IN FUSION RESEARCH. AT THE JET SITE ITSELF 320
PERSONNEL WOULD BE WORKING OF WHOM 150 WOULD BE FROM EURATOM.
THE FOLLOW-UP PROJECT JET TWO WOULD BE SITUATED IN A PLACE OTHER
THAN JET ONE. WORK ON THE FOLLOW-UP PROJECT WOULD HAVE TO OVER-
LAP JET ONE AND BEGIN PROBABLY IN JUST OVER THREE YEARS TIME.
IF THE COUNCIL REACHES ITS DECISION ON JET ONE, SOME FOUR MONTHS
WOULD BE NEEDED TO DRAW UP THE STATUTES; AND THE COUNCIL WOULD
HAVE TO DECIDE ON THE SETTING UP OF A JOINT ENTERPRISE, THE FIRST
UNDER EURATOM LAW. THE PRESENT BLUE-PRINT FOR JET ONE IS THE
MOST ADVANCED IN THE WORLD, BUT THE TWO YEARS SPENT
IN DECISION HAS MEANT A LOSS OF VALUABLE TIME IN TERMS OF
EXPERIENCE. GREAT DIFFICULTIES HAD BEEN OVERCOME IN REACHING THIS
POINT; EMERGING FROM THE FAMILIAR SYSTEM OF DIPLOMATIC LINKAGES,
AND IN COPING WITH THE VARIOUS POLITICAL CHANGES THERE HAD BEEN
SINCE 18 JULY 1975 WHEN THE PROJECT WAS FIRST PROPOSED BY THE
COMMISSION.

THERE HAD BEEN THREE MEETINGS OF FOREIGN MINISTERS, FIVE SESSIONS
OF RESEARCH MINISTERS (TOMORROW'S WOULD BE THE SIXTH) AND THE
EUROPEAN COUNCIL LAST JUNE. SIX GENERAL ELECTIONS HAD TAKEN
PLACE, PRODUCING FOUR NEW HEADS OF GOVERNMENT, SIX NEW FOREIGN
MINISTERS AND SEVEN MINISTERS OF RESEARCH.

ENERGY COUNCIL

THIS WAS THE THIRD ENERGY COUNCIL THIS YEAR AND MR BRUNNER
EXPECTED A FOURTH TO BE HELD BEFORE CHRISTMAS. FROM THE COUNCIL

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R. ELPHICK GPP B. 1/15 6802 24.10.77

M. SANTARELLI

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TOMORROW HE LOOKED FORWARD TO DECISIONS IN THE FIELD OF ENERGY SAVING: ACCEPTANCE OF THREE RECOMMENDATIONS ON REGULATING HEATING, WARM WATER PRODUCTION IN NEW BUILDINGS AND MEASUREMENT OF QUANTITY, AND OF RATIONAL USE OF ENERGY IN INDUSTRIAL UNDERTAKINGS. HE ALSO HOPED THE COUNCIL WOULD AGREE THE COMMISSION'S PROPOSAL FOR 40 PROJECTS IN THE FIELD OF COAL GASIFICATION AT A COST OF 45 MUC; AND THE PLAN FOR SURVEILLANCE OF COAL IMPORTS - HERE IT WAS A QUESTION OF GREATER MARKET TRANSPARENCY TO FIND OUT WHERE IMPORTED COAL CAME FROM AND AT WHAT AVERAGE PRICE; AND ON THE CRISIS PLAN STAGE TWO. THE COUNCIL WOULD BE DEALING FOR THE SECOND TIME WITH THE PROBLEM OVER HOW TO ACT IN CASE OF A NEW CRISIS IN OIL SUPPLIES. THE PROBLEM WAS HOW TO SET A BASIS FOR SHARING OUT AVAILABLE RESOURCES, BUT THERE WAS A GOOD CHANCE OF AGREEMENT THIS TIME. THEN THERE WOULD BE A GENERAL DEBATE ON THE ENERGY SITUATION IN THE COMMUNITY AND THE WORLD, AND THE OBJECTIVES FOR 1985. THE COMMISSION WAS PROPOSING A LIMIT OF 500 MILLION TONS FOR OIL IMPORTS IN 1985. ON COAL, THE COMMISSION HAD MADE PROPOSALS FOR ENCOURAGING THE USE OF COAL IN POWER STATIONS AMOUNTING TO SOME 500 MUC, BUT THERE WAS LITTLE PROSPECT OF THEIR BEING ACCEPTED THIS TIME. THERE WERE SIMILAR PROBLEMS WITH COMMISSION PROPOSALS ON FINANCIAL HELP FOR COAL STOCKS IN THE COMMUNITY. (REFERENCES: COM(77)183-7, COM(77)395 AND 483, P NOTES (77) 47, 82 AND 95.)

REGARDS

M. SANTARELLI

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PRIERE DE FAIRE LA DIFFUSION HABITUELLE A PARTIR DE BRUXELLES

MONSIEUR RUGGIERO

COPIE : MM. COLLOWALD, PRYCE, HUGHES, HIJZEN ET OPITZ

NOTE B I O (77) 370 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GPP, AU DG DE LA DG I ET A M. OPITZ, DG VIII

ENERGY COUNCIL

THE ENERGY COUNCIL STARTED AT 15 H 00 UNDER THE PRESIDENCY OF MR. CLAES. THEY ACCEPTED AS A POINT THE COMMISSION'S THREE RECOMMENDATIONS ON THE RATIONAL USE OF ENERGY - REGULATION OF HEATING APPARATUS, MEASUREMENT OF HOT WATER PRODUCTION IN NEW BUILDINGS AND USE OF ENERGY IN INDUSTRIAL PREMISES.

THE EXAMINATION OF OTHER POINTS OF THE AGENDA IS PROCEEDING.
MORE LATER.

AMITIES

R. ELPHICK

25.10.77

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PRIERE DE FAIRE LA DIFFUSION HABITUELLE A PARTIR DE BRUXELLES

MONSIEUR RUGGIERO

COPIE : MM. COLLOWALD, PRYCE, HUGHES, HIJZEN ET OPITZ

NOTE B I O (77) 370 (SUITE 1) AUX BUREAUX NATIONAUX
CC.: MEMBRES DU GPP , DG DE LA DG I ET A M. OPITZ, DG VIII

AID FOR HYDROCARBON PROJECTS: COUNCIL ACCEPTED COMMISSIONS PROPOSALS FOR AID TO 40 PROJECTS CONCERNING THE TECHNICAL DEVELOPMENT, EXPLORATION, EXPLOITATION STOCKS AND TRANSPORT OF HYDROCARBONS (COM (77) 375.) THE DANISH DELEGATION WITHDREW ITS RESERVATION ON GETTING ASSURANCES THAT DISCUSSION OF FURTHER DEMONSTRATION PROJECTS WOULD BE ON THE AGENDA FOR THE NEXT MEETING.

OVERCAPACITY IN REFINERIES . NO PROGRESS WAS MADE AND COREPER ARE BEING ASKED TO REEXAMINE THE DOSSIER AND THE MEMORANDA SUBMITTED BY FRANCE, ITALY AND NETHERLANDS. MR BRUNNER EXPRESSED DISAPPOINTMENT AT LACK OF PROGRESS AND SAID THE COMMISSION WOULD CONTINUE DISCUSSIONS IN THE ENERGY COMMITTEE AS HE WOULD NOT LIKE THE IMPRESSION TO ARISE THAT THE COMMUNITY WAS COMPLETELY DIVIDED.

DEMONSTRATION PROJECTS IN THE FIELD OF ENERGY SAVING. THIS DOSSIER WAS ALSO BEING BROUGHT FORWARD FOR DECEMBER.

SURVEILLANCE OF COAL IMPORTS FROM THIRD COUNTRIES. THE ITALIAN DELEGATION WITHDREW ITS RESERVE AFTER MR BRUNNER ASSURED THE COUNCIL THAT THE COMMISSIONS ONLY AIM WAS TO IMPROVE MARKET TRANSPARENCY AND TO ACCELERATE THE PROCESSING OF STATISTICS. THIS WAS A MINIMAL PLAN HE SAID WHICH WOULD BE TRIED OUT OVER TWO YEARS. THE COMMISSION COULD ACCEPT THE ITALIAN STATEMENT THAT IT WOULD BE UNABLE TO SUPPLY INFORMATION ON PRICES EXCEPT ON A GLOBAL BASIS AND NOT COUNTRY BY COUNTRY. THE PLAN AS FINALLY ADOPTED THEREFORE REQUESTS MEMBER STATES TO SUPPLY THE COMMISSION WITH AMOUNTS OF IMPORTS COUNTRY BY COUNTRY AND PRICES ON A GLOBAL AVERAGE BASIS.

MORE LATER

AMITIES

R. ELPHICK

25.10.1977

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PRIERE DE FAIRE LA DIFFUSION HABITUELLE A PARTIR DE BRUXELLES

MONSIEUR RUGGIERO

COPIE : MM. COLLOWALD, PRYCE, HUGHES, HIJZEN ET OPITZ

NOTE BIO (77) 370 (SUITE 2) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GPP, AU DG DE LA DG I ET A M. OPITZ, DG VIII

ENERGY COUNCIL

CRISISPLAN STAGE 2

THE COUNCIL ALSO REACHED AGREEMENT ON THE SECOND STAGE OF THE ACTION TO BE TAKEN IN THE EVENT OF A CRISIS IN THE COMMUNITY'S ENERGY SUPPLIES. MINISTERS ACCEPTED THE RESULTS OF A COMPROMISE ACHIEVED IN A WORKING GROUP WHICH FINALLY PRODUCED A FORMULAE SATISFYING THE ITALIAN DELEGATION. THE BRITISH HAD EARLIER WITHDRAWN THEIR RESERVATION ABOUT THE APPLICATION OF A QUALIFIED MAJORITY VOTE. THE PROBLEM WAS TO DEFINE WHAT WERE SUBSTITUTABLE PRODUCTS, WHICH WOULD FOLLOW THE APPLICATION OF THE 10 O/O CUT IN CONSUMPTION. THE U.K. WANTED TO LIMIT IT TO FUEL DESTINED FOR POWER STATIONS, THE ITALIANS TO FUELS DESTINED FOR THE WHOLE OF INDUSTRY. THE COMPROMISE SAYS THAT A WORKING PARTY SET UP BY THE COMMISSION WOULD DETERMINE THE DETAILED RULES TO BE FOLLOWED. THIS WOULD BE DONE AT THE BEGINNING OF ANY CRISIS AND THEREAFTER ANNUALLY, THE AIM BEING TO EXAMINE THE MEMBER STATES' CAPACITY FOR SUBSTITUTING IN THE FIRST INSTANCE OIL PRODUCTS FOR ELECTRICITY GENERATION, AFTER HAVING REGARD TO ANY POSSIBILITIES OF SUBSTITUTION OF FUEL OIL FOR OTHER USES IN INDUSTRY. AFTER THIS EXAMINATION THE COMMISSION WOULD NOTE THE LIMITS OF THIS CAPACITY FOR SUBSTITUTION. THE AGREEMENT WAS WELCOMED BY THE PRESIDENCY AND BY MR. BRUNNER. ON THAT NOTE MR. CLAES AJOURNED THE MEETING LEAVING DISCUSSIONS OF THE REMAINING ITEMS ON THE AGENDA (ENERGY SUPPLY SITUATION, OBJECTIVES FOR 1985) UNTIL THE NEXT MEETING WHICH WAS FIXED FOR TUESDAY, 13 DECEMBER.

FIN.

AMITIES

R. ELPHICK

25.10.77

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