

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

491st meeting of the Council

- Energy -

Brussels, 13 December 1977

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



Netherlands

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom

Mr Tony BENN

Secretary of State for Energy

Mr Dickson MABON

Minister of State for Energy

Commission:

Mr Guido BRUNNER

Member

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## ENERGY SITUATION

In accordance with its Decision of 14 January 1977, the Council examined the energy situation in the Community and in the world.

To this end it had before it a Commission communication - introduced at the meeting by Mr BRUNNER - describing the major trends which emerged on the Community energy market in 1977 and the main factors governing or influencing international developments.

The exchange of views enabled the members of the Council to conduct a general debate on the problems of particular significance in the Community energy policy, namely the objectives of this policy, energy prices, problems concerning coal, nuclear energy, energy savings, etc.

On the subject of energy prices, the Council took note of work in progress within the Commission and asked the latter to continue its analyses in close contact with the Member States with a view to producing data which would be used in formulating future guidelines for the Community energy policy.

RATIONAL USE OF ENERGY

In the context of the Community action programme on the rational utilization of energy, the Council agreed on a Directive on the performance, maintenance and regulation of heat generators and the insulation of the distribution system in new buildings.

This Directive aims to establish a Community framework for making energy savings on new heating systems and appliances for the production of domestic hot water in non-industrial buildings. However, appliances for which type-testing is not practical will be the subject of a subsequent proposal after appropriate technical study.

The Directive stipulates that the energy-saving objective must be pursued by inspections carried out by the Member States at the time of manufacture or installation of heat generators to ascertain whether they comply with minimum output levels corresponding to the form of energy used. From 1 January 1981, generators may not be installed unless they have passed such inspection.

The Directive also lays down that Member States must, by 1 July 1980, prescribe adequate thermal insulation for the hot-water distribution and storage system and for connections to remote-heating systems.

RATIONAL USE OF ENERGY - FINANCIAL AID TO DEMONSTRATION PROJECTS

The Council examined the proposal for a Regulation on the granting of financial aid to demonstration projects in the field of energy saving.

This proposal is designed to encourage the carrying out of projects for new techniques which enable energy to be saved by an improvement in yield.

At the conclusion of the discussion, the President noted that there was a favourable attitude towards the introduction of such a scheme, but that some delegations needed more time to consider certain procedural aspects and the criteria for selecting projects. The Council accordingly instructed the Permanent Representatives Committee to complete the work on these aspects at Committee level, if possible, so that this proposal could be rapidly adopted by the Council.

COAL SECTOR

The Council continued its discussions on the introduction of Community financial measures to promote the use of coal for electricity generation.

The debate gave Council members the opportunity of clarifying their approach to the problems posed by this question and particularly the question of whether and to what extent the object of these measures should be to promote a diversification of Community energy sources in the direction of coal, including imported coal, or, whether they were intended in the main to promote the use of Community coal.

The Council instructed the Permanent Representatives Committee to continue its work on the subject in the light of today's debate.

The Council also held a brief exchange of views on the proposal concerning the introduction of Community aid for financing cyclical stocks of hard coal, coke and patent fuel. It agreed to return to this question at a forthcoming meeting on the basis of new proposals from the Commission.

At the beginning of the discussions on this point, the President had informed the Council that a delegation consisting of producers and workers in the coal industry had just handed him two memoranda on the Community's coal policy, expressing concern about the present situation in this sector.

REFINING PROBLEMS

The Council held an exchange of views on the problems posed by the definition of a Community approach to refining problems.

It took formal note of the Commission's intention to submit an overall assessment of the situation in the Community refining industry and proposals for remedying the difficulties facing this sector before the next meeting of the Energy Committee on 30 January 1978.

The Council will return to these problems at its next meeting on Energy, with a view to deciding jointly on the measures which might be taken to cope with the situation.



ENERGY OBJECTIVES FOR 1985

The Council took note of the second Commission report on the achievement of Community energy policy objectives for 1985.

It also examined a draft Resolution designed to adapt certain aspects of the energy objectives for 1985 adopted by the Council in December 1974.

On this subject, the Council adopted a common approach as regards, firstly, the reduction of the Community's dependence on imported energy and the share of oil in energy consumption, and, secondly, the reduction to be made between now and 1985 in the relationship between the growth rate of energy consumption and the growth rate of economic activity, which should enable very large energy savings to be made.

With regard to the other parts of the Resolution, the Council instructed the Permanent Representatives Committee to continue its discussions with a view to submitting a final text to the Council for its next meeting.

INTERIM REPORTS

The Council took note of two interim reports by the Permanent Representatives Committee on the progress made in work on two proposals for Regulations on the granting of financial support for projects to exploit alternative energy sources and on the procedures for the taking of a Council Decision to grant Community support for projects to exploit hydrocarbon exploration projects.

WORK PROGRAMME

The Council took stock of the progress made in the work programme for 1977, and adopted a target programme for 1978 to serve as a basis for its work during that year.

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POSAL (REF. COM(76) 648 AND COM(77) 314).

AIDS FOR HYDROCARBON PROSPECTING : THIS IS A NEW ACTION PROGRAMME (REF. COM(77) 532, IP NOTE 251) DESIGNED TO ENCOURAGE THE SEARCH FOR COMMUNITY RESERVES IN NEW AREAS. THE FIRST THREE PROJECTS IDENTIFIED ARE IN THE MEDITERRANEAN, IN GREENLAND, IN SOUTHERN ITALY, AND SOUTHWEST FRANCE AND IN THE NETHERLANDS.

PROBLEMS OF REFINERIES : THE COUNCIL WILL ALSO BE CALLED ON TO DISCUSS ONCE AGAIN THE PROBLEM OF OVERCAPACITY IN THE COMMUNITY'S REFINERIES. VARIOUS MEMBER STATES' MEMORANDA ARE ON THE TABLE WITH THE AIM OF MONITORING DEVELOPMENTS AND CONSULTATIONS ARE CONTINUING.

#### TALKS ON URANIUM WITH CANADA

IN HIS PRESS CONFERENCE MR. BRUNNER ALSO REFERRED TO THE TALKS LAST WEEKEND WITH THE CANADIANS ABOUT LIFTING THEIR EMBARGO ON URANIUM DELIVERIES (SEE NOTE BIQ 430). A TEXT HAD HE SAID NOW BEEN WORKED OUT WHICH ENCAPSULATED AGREEMENT EXCEPT IN ONE POINT WHICH HE DID NOT SPECIFY. THIS WOULD BE PUT TO THE COMMISSION ON WEDNESDAY AND TO THE COUNCIL ON DECEMBER 20. THE TALKS HAD NOT BEEN EASY. HIS TRIP TO OTTAWA HAD BEEN A GOOD PREPARATION BUT STILL NINE HOURS WERE NEEDED ON FRIDAY. FOR THE INTERIM PERIOD HE BELIEVED A SATISFACTORY FORMULA HAD BEEN WORKED OUT.

AS FOR THE ENERGY COUNCIL MR. BRUNNER LAID STRESS ON THE FACT THAT THIS WAS THE FOURTH IN A YEAR WHICH HAD SEEN AGREEMENT IN SEVERAL AREAS: EURATOM LOANS, CRISIS PLAN IN CASE OF SUPPLY DIFFICULTIES, COKING COAL SUPPLIES UNTIL 1982 AND IN THE FIELD OF ENERGY SAVING. ON ENERGY TARGETS MR. BRUNNER SAID HE WANTED TO GIVE THE CORRECT SIGNALS TO OPEC. SOME PROGRESS COULD BE SHOWN IN REDUCING OIL CONSUMPTION. IT WAS THIRTEEN PERCENT LESS THAN IN 1973. HE AGREED CUT WAS NOT SO MUCH DUE TO SAVINGS AS TO LACK OF GROWTH. BUT HE DID NOT WISH TO GO IN FOR SELF FULFILLING PROPHECIES BY REDUCING TARGETS ON ASSUMPTION OF LACK OF GROWTH. THE ONE TO ONE RATIO OF GROWTH TO CONSUMPTION WAS BAD AND HE WOULD LIKE ANYWAY TO SEE IT REDUCED TO ONE TO ONE OR 0.8 OR 0.7. PRESENT GROWTH RATE WAS 2.5 PERCENT WHICH WAS NOT GOOD.

OIL COMPANIES AND REFINERY PROBLEMS : COMMISSION WISHED TO PRESS PLANS NOT TO INCREASE CAPACITIES, TO ENCOURAGE CONVERSION FROM HEAVY TO LIGHT OILS, TO DISCUSS WITH PRODUCER COUNTRIES THEIR REFINING PLANS. COMMISSION HAD POWERS OF ITS OWN TO MONITOR THE SITUATION AND WERE CONSULTING WITH THE COMPANIES. LAST YEARS IMPORT FIGURE FOR OIL WAS 480 MILLION TONNES.

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COAL IN POWER STATIONS : OUT OF 82 POWER STATIONS DUE TO COME ON STREAM UP TO 1985, SIXTY WERE OIL OR GAS FIRES, AND ONLY TWELVE COAL. COMMISSION'S PROPOSALS WOULD ONLY COVER 8 OR 9 NEW ONES.

ENERGY LOANS : MR. BRUNNER ALSO REFERRED TO THE EUROPEAN COUNCIL'S DECISION ON PROVIDING LOANS FOR ENERGY PROJECTS. THIS WAS IMPORTANT BECAUSE ENERGY PROJECTS COULD BE VERY LABOUR INTENSIVE. HE MENTIONED SUCH POSSIBILITIES AS CONNECTING THE FRENCH AND BRITISH ELECTRICITY GRIDS AND TRANSPORTATION SYSTEMS FOR ENERGY AS WELL AS DISTRICT AND LONG DISTANCE HEATING PROJECTS AND GEOTHERMAL PROJECTS IN ITALY FOR EXAMPLE. THERE WAS AMPLE OPPORTUNITY FOR THE DEVELOPMENT OF DEMONSTRATION PROJECTS.

AMITIES, M. SANTARELLI  
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NOTE BIO(77) 435, SUITE 1, AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE, AU DIRECTEUR GENERAL DG I ET  
A M OPITZ, DG VIII

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ENERGY COUNCIL

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THE ENERGY COUNCIL, ~~RECEIVED~~ THE FOURTH THIS YEAR, BEGAN UNDER THE PRESIDENCY OF MR. WILLY CLAES, SHORTLY AFTER TEN THIS MORNING WITH CONSIDERATION BY THE MINISTERS OF THE COMMUNITY'S ENERGY SITUATION AND OBJECTIVES FOR 1985. THERE WAS CONSIDERABLE ARGUMENT ON THE METHOD OF PRESENTING THE COMMUNITY'S AIMS AND ABOUT THE RELATIVE WEIGHT TO BE GIVEN THE VARIOUS SECTORS ESPECIALLY NUCLEAR. A WORKING GROUP WAS SET UP TO REPORT LATER TODAY ON EFFORTS TO FIND AN AGREED TEXT. ONE POSITIVE RESULT WAS THE DECISION TO AGREE ON THE DIRECTIVE COVERING HEAT GENERATORS. THIS WILL APPLY AFTER JANUARY 1, 1981 TO ALL HEAT GENERATORS MADE BY MASS PRODUCTION, HOWEVER AFTER OBJECTIONS BY MR. TONY BENN FOR THE UNITED KINGDOM ALL CUSTOM BUILT GENERATORS OF LARGE SIZE WERE EXCLUDED AFTER MR. BENN HAD ~~RECEIVED~~ EXPLAINED THAT HIS INDUSTRY ADVISERS HAD TOLD HIM IT WAS IMPOSSIBLE TO INCLUDE THEM. THESE LARGER GENERATORS WOULD BE THE SUBJECT OF FURTHER DISCUSSIONS WITHIN THE COMMISSION AND THE COUNCIL. THIS IS IN FACT THE FIRST DECISION TAKEN BY THE MINISTERS WHICH WILL HAVE A STRONG EFFECT ON ENERGY SAVING. IT IS ESTIMATED THAT SOME 15 MILLION TONS OF OIL EQUIVALENT COULD BE SAVED BY ITS CORRECT APPLICATION BETWEEN NOW AND 1985. THE MINISTERS HAVE ALSO BEEN DISCUSSING DEMONSTRATION PROJECTS IN THE FIELD OF RATIONAL USE OF ENERGY AND FINANCIAL AID FOR THE USE OF COAL IN POWER STATIONS THESE DISCUSSIONS ARE CONTINUING. MR. CLAES POINTING OUT THE URGENCY OF THE PROBLEM SAID THAT MEMBER STATES PLANNES TO BUILD 64 POWER STATIONS WITH A TOTAL OF 30,000 MEGAWATTS AND OUT OF THESE ONLY 15 WERE COAL FIRED (11,000 MW). MUCH OF THE ARGUMENT THIS MORNING WAS TAKEN UP WITH THE PROBLEM OF WHETHER AND BY HOW MUCH THIS FINANCIAL AID SHOULD BE EXTENDED TO IMPORTED COAL.

MORE LATER.

AMITIES, M. SANTARELLI  
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NOTE BIO (77) 435, SUITE 2 ET FIN, AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU GROUPE, AU DIRECTEUR GENERAL DG I ET A  
M. OPITZ, DG VIII.

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ENERGY COUNCIL

THE ENERGY COUNCIL CONTINUED ITS SESSION UNTIL JUST BEFORE EIGHT P.M. ON TUESDAY NIGHT BUT WERE UNABLE TO ADOPT IN ITS ENTIRETY THE COMMUNITY'S OBJECTIVES. THEY AGREED HOWEVER ON THREE POINTS: TO REDUCE DEPENDENCE BY 1985 TO FIFTY PER CENT; TO REDUCE BY 1985 THE OIL SHARE IN COMMUNITY ENERGY CONSUMPTION AND TO SET AN OBJECTIVE OF REDUCING THE CORRELATION OF INCREASE OF ENERGY CONSUMPTION TO INCREASE IN G.D.P. TO 0.8.

IN SPITE OF LONG ARGUMENT THE COUNCIL FELT ITSELF UNABLE AS YET TO PRONOUNCE ON THE TARGET FIGURE OF 500 MILLION TONNES OF OIL IMPORTS BY 1985 NOR ON THE FIGURES FOR OIL AND COAL AND GAS PRODUCTION IN THE COMMUNITY. THERE WAS ALSO DIFFICULTY IN FORMULATING A SATISFACTORY NUCLEAR ENERGY CLAUSE WITH THE DANISH DELEGATE (WHO WILL BE IN THE PRESIDENCY AT THE NEXT COUNCIL) INSISTING ON SPECIFIC COMMITMENT TOWARDS A SOLUTION OF THE WASTE DISPOSAL PROBLEM. THE DUTCH DELEGATE WAS ALSO IN DIFFICULTIES AS THE NETHERLANDS IS STILL WITHOUT A GOVERNMENT. THIS WILL NOW GO BACK TO COREPER FOR FURTHER DISCUSSIONS AS WILL THE PROBLEM OF REFINERIES ON WHICH THE DISCUSSION WAS ALSO INCONCLUSIVE.

MR. BRUNNER HOWEVER SAID FURTHER REPORTS WOULD BE READY FOR THE END OF JANUARY MEETING OF THE ENERGY COMMITTEE.

ON COAL STOCKS AND AIDS FOR COAL FIRING IN POWER STATIONS THESE PROBLEMS WILL BE KEPT ON THE AGENDA. THE UNITED KINGDOM DELEGATE IN PARTICULAR EXPRESSED DISAPPOINTMENT AT THE LACK OF ANY DECISION. THE MINISTERS DECIDED TO HOLD THE NEXT MEETING OF THE COUNCIL ON MARCH 21, 1978, ALTHOUGH THE DANISH NEXT PRESIDENT SAID HE WOULD PREFER TO CALL IT ONLY IF THERE WERE REAL CHANCES OF DECISION.

THERE WAS IN FACT ONE FURTHER GAIN HOWEVER IN THE FIELD OF DEMONSTRATION PROJECTS WHERE THE MINISTERS AGREED ON THE PRINCIPLE SUBJECT TO A RESERVATION ON THE METHOD OF ADMINISTRATION WHICH THEY HOPED TO CLEAR UP SO THAT THE PROPOSAL MAY BE PUT TO THE NEXT COUNCIL AS AN "A" POINT.

AT THE PRESS CONFERENCE AFTERWARDS MR. BRUNNER SAID IT HAD NOT BEEN A BAD YEAR. HE BELIEVED THE MINISTERS WOULD NEED TO SHOW MORE FINANCIAL SOLIDARITY IN 1978 WHERE THE EUROPEAN COUNCIL'S DECISION ON COMMUNITY LOANS FOR ENERGY PROJECTS GAVE AN OPPORTUNITY TO WORK OUT SOME INTERESTING IDEAS.

AMITIES, M. SANTARELLI

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