

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

8552/82 (Presse 109)

787th meeting of the Council

- Energy -

Brussels, 13 July 1982

President: Mr Poul NIELSON,  
Minister for Energy  
of the Kingdom of Denmark



The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Etienne KNOOPS  
State Secretary for Energy

Germany:

Mr Dieter von WÜRZEN  
State Secretary,  
Federal Ministry of Economic  
Affairs

France:

Mr Jacques LEPRETTE  
Ambassador,  
Permanent Representative

Italy:

Mr Giovanni MARCORA  
Minister for Industry

Netherlands:

Mr W.H.J. TIELEMAN  
Director-General  
Ministry of Economic Affairs

Denmark

Mr Poul NIELSON  
Minister for Energy

Mr Ole BECH  
State Secretary,  
Ministry of Energy

Greece:

Mr Evangelos KOLOMBIS  
Minister for Energy  
and Natural Resources

Ireland:

Mr Andrew O'ROURKE  
Ambassador,  
Permanent Representative

Luxembourg:

Mr Jean DONDELINGER  
Ambassador,  
Permanent Representative

United Kingdom:

Sir Donald MAITLAND  
Permanent Secretary  
Ministry of Energy

Commission:

Viscount Etienne DAVIGNON  
Vice-President

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THE ENERGY SITUATION AND PROSPECTS FOR STRUCTURAL CHANGE

1. On the basis of the Commission's report on Member States' energy policy programmes and progress towards 1990 objectives, the Council discussed recent developments on the energy markets and the pace of structural change in the energy sector.
  
2. The Council noted the indications of further falls in energy and oil demand during 1982. It welcomed the continuing progress in diversifying Community energy supplies. It shared, however, the Commission's concern about the uncertainties for the future, notably in respect of trends in oil prices and the rate of economic growth. Developments in the supply and demand of non-oil fuels and in the electricity sector should also be followed.

The Council agreed that it would take all the steps necessary to implement the agreed policies so as to ensure that neither these uncertainties nor other factors slow down the pace of structural change in energy supply and demand.

3. The Council reiterated the importance which it attaches to a regular and effective review of Member States energy policy programmes. It welcomed the Commission's intention to build on previous experience to improve the process of monitoring so as to ensure a more effective check on the consistency of Member States' policies and equality of effort in the pursuit of common goals. It noted the Commission's intention to devote particular attention in future reviews to priority areas identified in its communication on the development of an energy strategy for the Community.

The Council agreed that it would help to ensure that the best possible and most up-to-date information was available to the Commission about policy developments and trends in the energy sector so as to enable it to prepare its analysis on the soundest factual basis.

COMMUNITY DEMONSTRATION PROGRAMMES IN THE ENERGY SECTOR

The Council held an initial discussion on the Commission communication to the Council concerning an evaluation of the Community demonstration programmes in the energy sector. The Council noted that the Commission would shortly be submitting to the Council proposals concerning the granting of financial support for

- demonstration projects in the field of the exploitation of alternative energy sources, of energy saving and of hydrocarbon substitution,
- industrial pilot projects and demonstration projects in the field of liquefaction and gasification of solid fuels, amending and replacing Council Regulations (EEC) Nos 1302/78 and 728/79.

The Council instructed the Permanent Representatives Committee, in the light of today's discussions and of a detailed study to be carried out by the competent national experts in September 1982, to carry out a detailed examination of this communication and of the abovementioned proposals. It also asked the Permanent Representatives Committee to report back to it on the outcome of its examination early enough to enable the Council (Energy) to take the necessary decisions at its meeting in November 1982.

INVESTMENT IN THE RATIONAL USE OF ENERGY

The Council agreed to a Recommendation concerning the encouragement of investment in the rational use of energy. The text of this Recommendation will be finalized in the official languages of the Communities and will be formally approved at a forthcoming Council meeting.

The provisional text is as follows:

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the draft from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Having regard to the communication from the Commission on investment in the rational use of energy,

Having regard to the conclusions on energy pricing policy adopted by the Council on 3 December 1981 and 16 March 1982,

Whereas the present situation of relative easing of prices on the oil market ought not to lead to a relaxation of efforts to achieve more efficient use of energy;

Whereas even if the current drop in energy consumption is partly due to changes in the structure of demand, it is also largely due to a decline in economic activity; whereas a revival of growth would thus probably entail an increase in energy demand;

Whereas it is necessary not only to progress towards realization of the objectives which the Community has set itself, which are to restructure demand in favour of the more rational use of energy and to develop energy sources other than oil, but also to ensure that the results obtained in the Member States are constantly monitored;

Whereas, according to the Commission's calculations, investment in the rational use of energy represented only 0.4% of the gross domestic product in the Community in 1981; whereas it should therefore be increased considerably,

Whereas, by helping to improve the competitiveness of undertakings and by enabling new industrial activities to be developed, increased investment could be an important element in an energy and industrial strategy aimed at promoting lasting economic recovery;

Whereas, moreover, it may have a beneficial effect on employment;

Whereas, in view of the importance of this investment for economic activity and its specific nature in some cases, the public authorities should encourage such investment;

Whereas, in addition to special measures to promote certain types of investment, steps should also be taken to improve the general framework (energy, economic and financial policies) in which investment decisions are taken;



Whereas there is uncertainty concerning prices and the trend of the relative prices of the various forms of energy, due mainly to the pricing and taxation policies currently applied in the Community;

Whereas this uncertainty has an adverse effect on investment decisions;

Whereas economic operators ought to receive better training and information on the importance of the rational use of energy both to their own activities and to the Community at large;

Whereas high, unstable interest rates are having an effect and, more particularly, in certain cases financial channels and financial arrangements need to be better adapted to the specific requirements and situations of investors;

Whereas the partitioning which still exists between national markets is hampering the development of the energy-saving and alternative-energy industries by preventing them from taking full advantage of possible economies of scale;

Whereas over-centralization of decision-making is liable to slow down the promotion and spread of the rational use of energy;

Whereas certain sectors, in particular the major energy-consuming industries, small and medium-sized undertakings and the building sector, face special problems;

Whereas the Member States should make a concerted effort to implement a consistent series of measures designed to overcome these problems and obstacles,

HEREBY RECOMMENDS THAT THE MEMBER STATES:

1. step up their efforts to achieve a more rational use of energy
  - by improving the conditions necessary to enable the economic operators concerned to increase significantly their investment in this area <sup>(1)</sup>;
  - by giving greater consideration over the whole range of investment to the requirement of rational use of energy.

The progress achieved in this respect will be subject to regular examination at Community level in the context of the periodic examination of the energy policies of the Member States.

The indicators used to assess this progress will take account not only of energy policy aspects but also of macro-economic, financial and sectoral aspects. They will be defined by the Commission in collaboration with the Member States.

2. in order to attain these objectives:

- encourage the energy-saving drive in particular by providing appropriate information;
- apply energy pricing policies which unite the pursuit of energy objectives with efforts to ensure that prices truly correspond to market conditions and costs. Where it is the responsibility of the public authorities, the calculation of all constituent

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<sup>(1)</sup> According to the Commission's estimates, investment in RVE in 1981 represented only 0.4% of GDP, 1.9% of GFCF and 25% of energy investment.

elements of energy prices to the final consumer should also take such objectives into account.

- encourage gas and electricity companies to define and apply a stable tariff structure which corresponds to energy policy objectives;
- improve training and information facilities for economic operators, in particular small and medium-sized undertakings and households, for example by ensuring that they have access to reliable advisory services;
- take steps insofar as is necessary to supply local and regional authorities with more information concerning Community loans and stimulate their interest in such loans;
- take steps insofar as is necessary to supply small and medium-sized undertakings with more information concerning Community loans available and stimulate their interest in such loans, particularly by encouraging them to draw up eligible projects jointly;
- where appropriate, encourage better adaptation of financial channels and financing arrangements to the specific requirements of priority projects involving investment in the rational use of energy;

- make maximum use of the whole of the Community market by refraining from adopting laws, regulations and administrative measures, or implementing national standards, which hamper the free movement of equipment and services intended for a more rational use of energy;
- where existing administrative and legislative provisions stand in the way, simplify and speed up the procedures surrounding projects involving new installations which would enable local alternative energy resources (for example, biomass, solar energy, geothermal energy and small heads of water) to be exploited efficiently, subject to observance of safety and environmental-protection standards and technical rules;
- encourage a certain degree of decentralization of decision-making, since adaptation to local conditions in particular is an important factor in the success of rational energy-use programmes directed towards the domestic sector and small and medium-sized undertakings;
- examine the possibility of using financial and/or tax incentives to encourage the final consumer to purchase energy-saving installations and equipment;
- provide substantial financial aid towards the renovation of buildings, where this contributes to energy-saving under sufficiently cost-effective conditions;

- ensure adequate continuity in financial and technical assistance programmes, so that prospective investors are better informed and, above all, are able to programme their investment;
- where appropriate, urge fuel and electricity companies to encourage householders to renovate their homes for energy-saving purposes, by supplying adequate services ranging from assistance in obtaining loans to advice on the choice of equipment.

ENERGY STRATEGY FOR THE COMMUNITY: THE NUCLEAR ASPECTS  
- MACRO-ECONOMIC ASPECTS

In the light of the policy debate held on 16 March 1982 and the Opinions delivered in the meantime by the European Parliament and the Economic and Social Committee, the Council has examined in greater detail the Commission communication entitled "An Energy Strategy for the Community: the Nuclear Aspects".

The Council agrees with the Commission's analysis of the role of nuclear energy in the Community's overall energy strategy, on the understanding that it is for each Member State to make its own decisions on this matter at national level. It recognizes that, despite the growing role gas and renewable energy sources are destined to play, major progress in diversifying the Community's sources of supply can be made between now and the year 2000 only by increased use of coal and other solid fuels as well as nuclear energy.

The Council acknowledges that the development of electricity production from nuclear resources has economic advantages and is aware of the advantages to be gained therefrom by industrial operators through having access to competitive sources of energy.

The Council notes the Commission's analysis of the respective roles of economic operators and national and Community authorities in nuclear field. In this connection, it stresses that the realization of nuclear energy programmes on the necessary industrial scale firstly requires States to make a clear political choice on the objectives and means to be used; the Community provides a framework within which these States can find useful references and a grouping whose solidarity can be an effective instrument.

The Council notes that the Commission intends to study the economic aspects of nuclear development in depth, at Community level, and would stress the desirability of the Commission carrying out appropriate consultations with the Member States before publishing indicative programmes.

The Council would point out that the decision taken in March 1982 to raise the ceiling for Euratom borrowings/loans from 1,000 to 2,000 MECU will help to promote investment in the nuclear energy field.

The Council notes that the Commission will shortly submit a proposal to it on the important matter of a regular and equitable supply of nuclear fuels to the Community.

The Council, referring to the Resolutions adopted in February 1980 on reprocessing irradiated nuclear fuel, fast breeder reactors and the storage of radioactive waste, emphasizes the need to speed up in the Community, while taking account of national nuclear policies, measures to install capacity for interim storage and reprocessing of irradiated fuel and agrees that bilateral and/or multilateral co-operation on the whole of the fuel cycle should be actively pursued in ways which best respond to the interests of those concerned.

The Council acknowledges the importance of safeguards in nuclear development and awaits the report on the implementation of the three verification agreements between Euratom, its Member States and the International Atomic Energy Agency which the Commission will be submitting before the end of the year.

The Council emphasizes the important measures taken by the Member States in the field of nuclear safety. It also recalls the Community's activities in this field, particularly in research and development. It stresses the importance of actively pursuing Community and international co-operation in the field of management and storage of radioactive waste.

Moreover, the Council stresses the importance it attaches to the dissemination by the Member States on the one hand and the Community on the other, each with regard to the projects for which it is responsible, of information to the public on the development of the nuclear energy situation in the Community and on nuclear safety.



THE REFINING INDUSTRY

The Council took note of a Commission communication on the problems of the refining industry. It agreed that it might come back to these problems at a future meeting.

INDICATION BY LABELLING OF THE ENERGY CONSUMPTION OF HOUSEHOLD APPLIANCES

The Council examined a number of problems arising with respect to application of the Directive on the indication by labelling of the energy consumption of household appliances to:

- electric washing machines
- electric dishwashers with cold-water supply only.

THE ROLE FOR COAL IN COMMUNITY ENERGY STRATEGY

The Council held a general discussion on the importance of coal and other solid fuels for the Community's energy supplies. A substantive analysis was made of the various factors to be taken into consideration in drawing up an overall strategy for coal in the Community.

The Council agreed to examine this matter in greater detail bearing in mind the interests of producers, importers and consumers with the aim of reaching conclusions in respect of a Community policy on coal and other solid fuels.

To this end, the Council instructed its preparatory bodies to pinpoint the essential features of such a strategy with a view to further discussion of the matter within the Council in November.

## MISCELLANEOUS DECISIONS

### Relations with Spain

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for wines falling within heading No ex 22.05 of the Common Customs Tariff originating in Spain (1982/1983).

### Relations with Portugal

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for

- Port wines
- Madeira wines
- Setubal muscatel wines
- Verde wines
- Dão wines

falling within heading No ex 22.05 of the Common Customs Tariff, originating in Portugal (1982/1983).

### Environment

The Council adopted in the official languages of the Communities the Decision authorizing the Commission to open negotiations on Community participation in the Convention for the protection and development of the marine and coastal environment of the wider Caribbean area.



Bruxelles, le 12 juillet 1982  
Note BIO(82)311 aux Bureaux Nationaux  
cc. aux membres du Groupe du Porte-Parole

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PREPARATION CONSEIL ENERGIE DU 13 JUILLET 1982 (W. Helin)  
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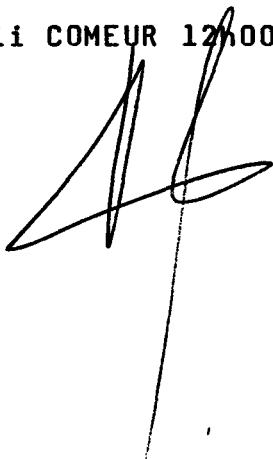
En depit de la situation de calme apparent sur le marche petrolier, il importe que les gouvernements des Dix prennent resolutement les decisions d investissements prevues afin de poursuivre le mouvement de moindre dependance a l egard de l energie importee. En particulier, il s agit d acclerer l investissement encourageant l utilisation rationnelle de l energie.

C est un des themes principaux de la reunion du Conseil des Ministres de l Energie de ce mardi. Les Dix seront egalement incites par la Commission Europeenne a lui communiquer regulierement les diverses informations concernant les programmes poursuivis au niveau national afin d atteindre les objectifs energetiques a l horizon de 1990.

En principe egalement, le Conseil devrait se prononcer en faveur d une utilisation accrue du charbon. On s attend toutefois a des prises de position divergentes selon que les pays soient importateurs ou producteurs de charbon.

Vous recevrez par courrier separe une fiche factuelle et mise a jour de la situation energetique dans la Communaute.

Amities,  
M. Santarelli COMEUR 12/00





COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

788<sup>th</sup> meeting of the Council





BRUXELLES LE 15 JUILLET 1982  
TELEX NR. 2570

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LE CONSEIL DES COMMUNAUTES EUROPEENNES TIENDRA SA 788EME SESSION LES LUNDI 19 (15H00) ET MARDI 20 JUILLET 1982 AU BATIMENT CHARLEMAGNE, 170 RUE DE LA LOI A BRUXELLES, SOUS LA PRESIDENCE DE M. BJOERN WESTH, MINISTRE DE L'AGRICULTURE DU ROYAUME DU DANEMARK.

LORS DE CETTE SESSION LE CONSEIL PROCEDERA A L'EXAMEN DES QUESTIONS SUIVANTES :

- MISE AU POINT DE PROJETS DE REGLEMENTS DANS LE SECTEUR VITI-VINICOLE
- PROPOSITION DE DECISION AUTORISANT LE ROYAUME-UNI A PERMETTRE AUX AUTORITES DE L'ILE DE MAN D'APPLIQUER UN SYSTEME DE CERTIFICATS SPECIAUX D'IMPORTATION POUR LA VIANDE OVINE ET LA VIANDE BOVINE
- AMENAGEMENT DE L'ACQUIS COMMUNAUTAIRE POUR LES PRODUITS MEDITERRANEENS  
= RAPPORT INTERIMAIRE FRUITS ET LEGUMES
- TRANSFERT DE LAIT ECREME EN POUDRE A L'ORGANISME D'INTERVENTION ITALIEN PAR LES ORGANISMES D'INTERVENTION D'AUTRES ETATS MEMBRES
- ETABLISSEMENT DES NORMES MINIMALES RELATIVES A LA PROTECTION DES POULES PONDEUSES EN BATTERIE
- PROBLEMES SANITAIRES EN MATIERE D'ECHANGES DE VIANDES FRAICHES DE VOLAILLE
- MODIFICATION DE LA LISTE DES ETABLISSEMENTS DE LA REPUBLIQUE ORIENTALE DE L'URUGUAY AGREES POUR L'IMPORTATION DE VIANDES FRAICHES DANS LA COMMUNAUTE.

