



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.08.1997
COM(97) 436 final

96/0218 (CNS)

Amended proposal for a

COUNCIL DECISION

**CONCERNING THE ORGANISATION OF
COOPERATION AROUND AGREED COMMUNITY ENERGY
OBJECTIVES**

(presented by the Commission pursuant to Article 189 a (2)
of the EC-Treaty)

EXPLANATORY MEMORANDUM

Subject: Amended Proposal for a Council Decision: The organisation of the co-operation around agreed Community energy objectives.
COM(96)0431 - 96/0218(CNS)

Legal base: Art 130.3

The above-mentioned draft Council Decision was approved by the Commission on 4 October 1996 and published in the Official Journal No C. 27/9 of 28 January 1997. The Committee on Research, Technological Development and Energy (CERT) of the European Parliament appointed Mr U Stockmann as Rapporteur. After having received the advice of the Committee on Legal Affairs and Citizen's rights and the Committee on Economic and Monetary Affairs and Industrial Policy, the CERT approved, in April 1997, the Stockmann report. A plenary debate and vote took place in Strasbourg on 15 May 1997.

At this debate Commissioner Papoutsis:

- accepted the amendments N°s 2, 3, 12, 5, 8, part 1, and 3 of 11 and 15;
- proposed a compromise for the first part of amendment 6;
- rejected amendments 4, 7, 9, and the second and the fourth part of 11.

Reasons why the following amendments were acceptable.

Amendment 2, 6th whereas clause

The Parliament added "whereas they will concentrate on increasing efficiency and on renewable energy sources and, in the case of nuclear technologies, on safe techniques for final storage".

This amendment is acceptable. It does not prejudice the use of R&D funds. The precise R&D priorities will, of course, be established in the discussion on the 5th Framework programme.

Amendment 3, Article 1

The Parliament added

- "avoiding surplus capacity", this amendment is acceptable. It avoids dumping into other markets;
- "securing initiatives, including those taken at national level, which are designed to promote and develop sustainable energy technologies", this amendment is acceptable. We should welcome any initiative to promote the introduction of renewables, which is an agreed objective of Community energy policy;
- "reducing energy consumption" this amendment is acceptable. It is coherent with all the principal objectives of Community energy policy.

Amendment 12, Article 2 paragraph 2, new point

- "the development and rapid introduction of a taxation or incentive system commensurate with sustainable energy policy objectives", this amendment is acceptable. Such systems can contribute to the realisation of our energy objectives.

Amendment 5, Article 2 paragraph 2

Adding:

- "In the framework of its responsibilities under the Treaty, and in compliance with the principle of subsidiarity, the Commission will propose specific Community actions and/or programmes to attain the agreed energy policy objectives listed in the Annex"; this is acceptable. It confirms the active role of the Commission in energy policy.

Amendment 6, Article 3 paragraph 2

For the first amendment, a compromise was proposed by adding after 'where appropriate': "but at least every two years", which assures regularity, but leaves flexibility for earlier reporting if the situation gives reason for this. This compromise is acceptable.

The proposed second amendment

- "The report shall also contain a comparative presentation of whether and to what extent the Member States have made progress towards the achievement of the agreed energy policy objectives", is just a clarification of an essential element of the report.

Amendment 8, first part annex point 3

The Parliament deleted

- "undistorted prices" and added:

- "taking into account the goal of environmentally sustainable development - operate on the basis of fair competition", this is acceptable. It underlines competition as a base for pricing. Furthermore, it gives the possibility to promote environment friendly energies.

Amendment 15, first part, Annex, point 6

The Parliament added:

- "using the best possible environmentally acceptable technologies", which is acceptable. This amendment opens the possibility for a European contribution to global environment problems.

Amendment 11, Annex, paragraph after point 8, hyphens

Two of the four amendments were acceptable.

The Parliament added:

- "harmonisation of framework conditions", which supports the objective of fair competitiveness and avoids distorted situations in the Member States;

to the 5th hyphen:

- "the fiscal and environmental instruments", which is broader than the fiscal structure and therefore limits the possibility for distortions.

The following amendments were rejected.

Amendment 4 (Creation European Climate Change Agency) was not acceptable seeing the substantial political and institutional consequences.

Amendment 7, would make one (environment protection) out of the three principal objectives the "Primus inter pares", while the others (competitiveness and security of supply) are equally important. It would change the balance among the energy policy objectives.

Amendment 9, which proposed to "develop a standardised calculation method" for the internalisation of external costs, is not acceptable. It is too premature to develop a standardised method.

Amendment 11, second part (introduction of an energy consumption taxation) was rejected. The Commission recently proposed a general taxation on energy products. It is preferred to wait the results of the discussion in Council and Parliament before introducing another taxation.

Amendment 11, fourth part - "formulation and acceptance of a chapter in the EU Treaty devoted to energy requiring sustainability, energy efficiency, conservation of resources and preservation of the environment", which is an amendment which supports the efforts to get an energy chapter in the Treaty of Amsterdam. Although Commissioner Papoutsis welcomed this amendment during his reaction at the Plenary Session of the Parliament, it lost its validity considering the results of the Inter-Governmental Conference of Amsterdam.

Amended Proposal For a Council Decision
Concerning
the Organisation of Cooperation Around Agreed Community Energy Objectives

ORIGINAL TEXT

AMENDED TEXT

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaties, and in particular Article 130(3) of the Treaty establishing the European Community,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Having regard to the opinion of the Economic and Social Committee,³

Whereas, at the Energy Council of 7 May 1996, the Council, in its Resolution on the White Paper "An Energy Policy for the European Union", invited the Commission to put in place a process of co-operation between the Community and the Member States in order to ensure that Community and national energy policies are compatible with agreed common energy objectives;

Whereas, this process needs to be placed in the context of a shared analysis of the energy situation and of future trends through cooperation at the Community level between Member States on energy studies;

Whereas the promotion of the internal energy market being a priority task for the Community and the Member States, it is important for the internal energy market that energy trends and issues be analyzed at the Community level,

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Whereas the promotion of the internal energy market being a priority task for the Community and the Member States, it is important for the internal energy market that energy trends and issues be analyzed at the Community level,

¹ JO n° C ...

² JO n° C ...

³ JO n° C ...

through cooperation with the energy sector and by mobilising all the local, regional, national and Community elements concerned;

Whereas, this process of cooperation, with due regard to the principle of subsidiarity, must ensure a maximum of coherence and convergence in relation to agreed energy objectives if the Community's economic and environmental policy goals are to be achieved;

Whereas, the Community has a wide range of competencies in the energy sector under the existing Treaties but there is still no comprehensive energy policy framework;

Whereas, the RTD Framework Programmes based on the EC Treaty and the Euratom Treaty ensure the development of new energy technologies related to the non-nuclear and nuclear energy;

Whereas, without prejudice to the existing responsibilities of Member States as regards their own energy sectors, the White Paper proposes a new approach to energy policy cooperation around agreed energy policy objectives and a new approach to monitoring energy trends, in cooperation with the Member States, which would add value by pinpointing and encouraging best practices, by promoting a cooperative approach to energy studies and analysis and by exchanging relevant experience;

Whereas, a firm commitment to Community energy objectives by Member States requires effective cooperation at Community level to ensure that both national and Community energy policies contribute to their attainment;

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Whereas, the Community has a wide range of competencies in the energy sector under the existing Treaties but there is still no comprehensive energy policy framework;

Whereas, the RTD Framework Programmes based on the EC Treaty and the Euratom Treaty ensure the development of new energy technologies related to the non-nuclear and nuclear energy; whereas they will concentrate on increasing efficiency and on renewable energy sources and, in the case of nuclear technologies, on safe techniques for final storage;

Whereas, without prejudice to the existing responsibilities of Member States as regards their own energy sectors, the White Paper proposes a new approach to energy policy cooperation around agreed energy policy objectives and a new approach to monitoring energy trends, in cooperation with the Member States, which would add value by pinpointing and encouraging best practices, by promoting a cooperative approach to energy studies and analysis and by exchanging relevant experience;

Whereas, a firm commitment to Community energy objectives by Member States requires effective cooperation at Community level to ensure that both national and Community energy policies contribute to their attainment;

Whereas, in the framework of this cooperation, the Commission needs to have regular and appropriate information from Member States so that it can establish periodic reports on the extent to which Member States' energy policies and Community actions contribute to Community energy objectives;

Whereas these periodic reports that evaluate energy developments in a global manner will provide the basis for an examination of energy developments in the Council and for the Commission to make appropriate new legislative proposals;

Whereas, in order to take account of the changing energy situation the Community, on the basis of a Commission proposal, needs to examine periodically, and where necessary to update the agreed common objectives;

Has decided as follows:

Article 1

A framework for energy cooperation between the Community and the Member States is hereby established around agreed Community energy objectives which are set out in annex, and which, while constituting specific measures in support of actions taken in the Member States, will notably contribute to:

- achieving a high level of competitiveness in the Community,
- increasing security of supply,
- protecting the environment,
- promoting the rational and efficient use of energy resources and new and renewable energy,
- promoting international energy cooperation and liberalisation,

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Whereas these periodic reports that evaluate energy developments in a global manner will provide the basis for an examination of energy developments in the Council and for the Commission to make appropriate new legislative proposals;

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- achieving a high level of competitiveness in the Community,
- increasing security of supply,
- avoiding surplus capacity,
- protecting the environment,
- promoting the rational and efficient use of energy resources and new and renewable energy,
- promoting international energy cooperation and liberalisation,

- ensuring transparency of national and Community energy policy actions,
- developing an analysis and monitoring of the energy market.

Article 2

1. In order to achieve the agreed energy objectives described in Article 1, the Commission will ensure the following:

1. the monitoring of the impact of agreed common energy objectives of energy policy developments in Member States and of the evolution of the global energy situation in view of a possible adaptation of the common energy objectives set out in annex;
2. the scrutiny of Community and national actions in the energy field and the exchange of best practices;
3. the monitoring, evaluation and exchange of energy related information on all aspects of energy activity;
4. the development of cooperation and linkages in the energy field;
5. the encouragement of the broad dissemination of the results obtained from the measures in 3 and 4.

2. The Commission will examine the necessity of specific Community actions in support of measures taken in the Member States;

- securing initiatives, including those taken at national level, which are designed to promote and develop sustainable energy technologies.

- ensuring transparency of national and Community energy policy actions;
- developing an analysis and monitoring of the energy market,
- reducing energy consumption.

Article 2

1. In order to achieve the agreed energy objectives described in Article 1, the Commission will ensure the following:

1. the monitoring of the impact of agreed common energy objectives on energy policy developments in Member States and of the evolution of the global energy situation in view of a possible adaptation of the common energy objectives set out in annex;
2. the scrutiny of Community and national actions in the energy field and the exchange of best practices;
3. the monitoring, evaluation and exchange of energy related information on all aspects of energy activity;
4. the development of cooperation and linkages in the energy field;
5. the encouragement of the broad dissemination of the results obtained from the measures in 3 and 4.

5b. the development and rapid introduction of a taxation or incentive system commensurate with sustainable energy policy objectives;

2. In the framework of its responsibilities under the Treaty, and in compliance with the principle of subsidiarity, the Commission will propose specific Community actions and/or

programmes to attain the agreed energy policy objectives listed in the Annex. It will also examine the necessity of specific Community actions in support of measures taken in the Member States;

Article 3

1. The Commission shall be informed annually of the measures taken by Member States for achieving the agreed common energy objectives referred to in the annex and on any other measure relevant to these objectives.
2. The Commission will prepare on the basis of the information obtained, where appropriate, a report in the form of a Communication, on the compatibility of energy policies in the Member States and Community actions in the energy field with the agreed common energy objectives. This report shall be forwarded to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions;

Article 4

This Decision shall enter into force on.... ;

Article 5

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,
For the Council,
The President

Article 3

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Annex

AGREED COMMON ENERGY OBJECTIVES

1. Energy policy at the Community level should contribute to the achievement of the various energy objectives set out in the Treaties notably, market integration, sustainable development, environmental protection and security of supply.

2. The integration of the Community energy market, based on the principle of open and competitive markets, is essential for achieving flexibility, efficiency and long-term security in the energy sector. Integration should take into account the diverse energy mix of the Member States, both fossil and non-fossil, and enhance economic and social cohesion particularly through the development of trans-European networks.

3. Transparent and undistorted energy prices with the aim of ensuring that markets for all fuels in the Community work efficiently and are fully competitive.

4. In order to achieve the Treaty objective of sustainable development, energy and environmental objectives need to be integrated. Wherever possible the full cost of energy production and consumption should be reflected in the price. Economic non-fossil fuels such as renewables and nuclear incorporating the highest safety standards, can make an important contribution to this goal.

5. The strengthening of security of supply through improved diversification and flexibility of domestic and imported supplies, by

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3. Transparent energy prices with the aim of ensuring that markets for all fuels in the Community work efficiently and - taking into account the goal of environmentally sustainable development - operate on the basis of fair competition.

4. In order to achieve the Treaty objective of sustainable development, energy and environmental objectives need to be integrated. Wherever possible the full cost of energy production and consumption should be reflected in the price. Economic non-fossil fuels such as renewables and nuclear incorporating the highest safety standards, can make an important contribution to this goal.

5. The strengthening of security of supply through improved diversification and flexibility of domestic and imported supplies, by

developing environmentally sound indigenous energy resources and by ensuring energy have the ability to respond quickly and flexibly to supply emergencies, notably with respect to oil and gas.

6. A coordinated approach to external energy relations in order to ensure free and open trade and a secure framework for energy investments. Co-operation with non-member countries should be developed to enhance energy security, to achieve environmental goals and to stimulate the development and dissemination of appropriate energy technologies to third countries.

7. The promotion of renewable energy resources through supportive measures at both Community and national level with the aim of achieving for this fuel a significant share of primary energy production in the Community by 2010.

8. A significant improvement in energy efficiency in the Community by the year 2010 through an improved coordination of both national and Community measures.

In order to contribute to the achievement of the above objectives the Community will use the large range of instruments in the energy sector that are available to it, notably

- research and development and the dissemination of new and improved energy technologies,
- harmonising the fiscal structure on energy products to avoid distortions,
- applying the competition rules of the Treaties with a maximum of transparency and consistency,
- standardisation in the energy sector,

developing environmentally sound indigenous energy resources and by ensuring energy have the ability to respond quickly and flexibly to supply emergencies, notably with respect to oil and gas.

6. A coordinated approach to external energy relations in order to ensure free and open trade and a secure framework for energy investments using the best possible environmentally acceptable technologies. Co-operation with non-member countries should be developed to enhance energy security, to achieve environmental goals and to stimulate the development and dissemination of appropriate energy technologies to third countries.

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In order to contribute to the achievement of the above objectives the Community will use the large range of instruments in the energy sector that are available to it, notably

- harmonisation of framework conditions,
- research and development and the dissemination of new and improved energy technologies,
- harmonising the fiscal and environmental instruments on energy products to avoid distortions,
- applying the competition rules of the Treaties with a maximum of transparency and consistency,

- monitoring of the internal market,
- instruments for cooperation and assistance with third countries,
- development of cost-effective instruments for limiting the negative environmental side effects of the production, transport and use of energy.

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