

EUROPEAN PARLIAMENT

# Working Documents

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DOCUMENT 1-704/79

## Report

drawn up on behalf of the Committee on Energy and Research

**on the communication from the Commission of the European Communities to the Council (Doc. 211/79) on the energy objectives of the Community for 1990 and convergence of policies of the Member States, and on nuclear energy and energy policy**

**Rapporteur: Mr K. FUCHS**

12.3



By letter of 2 July 1979, the Council of the European Communities requested the European Parliament to deliver an opinion on the communication from the Commission of the European Communities to the Council on the energy objectives of the Community for 1990 and convergence of policies of the Member States.

The President of the European Parliament referred this communication to the Committee on Energy and Research as the committee responsible.

On 4 October 1979 the Committee on Energy and Research appointed Mr Fuchs rapporteur.

At its meetings of 11 October and 20 November 1979 the Committee on Energy and Research decided to consider in conjunction with the above-mentioned communication and with the same rapporteur two motions for resolutions referred to it pursuant to Rule 25 of the Rules of Procedure: Doc. 1-518/79 on energy policy and Doc. 1-237/79 on nuclear energy.

The Committee on Energy and Research considered these proposals at its meetings of 11 October, 20 November, 17 and 18 December 1979 and 21 January 1980.

At its meeting of 21 January 1980 the committee adopted the motion for a resolution and the explanatory statement by 16 votes to 10 with 1 abstention.

Present: Mrs Walz, chairman; Mr Gallagher, vice-chairman; Mr Fuchs, rapporteur; Mrs von Alemann, Mr Beazley, Mr Calvez (deputizing for Mr Pintat), Mrs Charzat, Mr Coppieters (deputizing for Mrs Bonino), Lord Douro, Mr Griffiths (deputizing for Mr Adam), Mrs Groes, Mr Herman, Mr Klepsch (deputizing for Mr Croux), Mr Lalor (deputizing for Mr de la Malene), Mr Linde, Mr Linkohr, Mrs Lizin, Mr Muntingh (deputizing for Mr Schmid), Mr Müller-Hermann, Mr Purvis, Mr Rinsche, Mr Rogers (deputizing for Mr Percheron), Mr Salzer, Mr Sassano, Mr Seligman, Mr Pisani and Sir Peter Vanneck.

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The Committee on Energy and Research hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the communication from the Commission of the European Communities to the Council on the energy objectives of the Community for 1990 and convergence of policies of the Member States, and  
on nuclear energy and energy policy  
The European Parliament,

- having regard to the communication from the Commission of the European Communities to the Council (COM(79) 316 final),
- having been consulted by the Council (Doc. 211/79),
- having regard to the motion for a resolution tabled by Mr COPPIETERS, Mr BLANEY, Mr PANNELLA, Mrs CASTELLINA, Mr de GOEDE, Mrs DEKKER, Mrs BONINO, Mr CAPANNA, Mr SCIASCIA, Mr MAHER and Mr COLLA, (Doc. 1-237/79),
- having regard to the motion for a resolution tabled by Mr MULLER-HERMANN, Mr HERMAN, Mr d'ORMESSON, Mr SASSANO, Mr FISCHBACH, Mr VERGEER, Mr JONKER, Mrs WALZ, Mr FUCHS, Mr RINSCHKE, Mr SALZER and Mr SELIGMAN, (Doc. 1-518/79)
- having regard to previous resolutions on energy policy questions and in particular the resolution on the second report from the Commission to the Council on the achievement of Community energy policy objectives for 1985<sup>1</sup>,
- having regard to the report of the Committee on Energy and Research (Doc. 1-704/79),

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<sup>1</sup> OJ No. C 6 , 9.1.1978 p. 12

1. Notes with consternation that the most important objective of the basic principles of a common energy policy enunciated in Council resolutions as early as 1974/75, viz. adequate medium-term energy supplies, has not been implemented and that these principles therefore still amount simply to declarations of intent;
2. Regrets the constant inability of the Council of Energy Ministers to implement European Council decisions on the common energy policy;
3. Stresses the relationship between energy, growth, employment and the quality of life and calls for a policy of growth which favours the low-energy-consuming sectors and creates more secure employment in all Member States;
4. Sees the need for a restructuring of industry along these lines with the full participation of the trade unions;
5. Feels that more meaningful progress could be made towards a concerted energy policy, if the Council, Commission and European Parliament collaborated closely with each other to this end;
6. Considers that the Council's lack of success is due mainly to an inability to place genuine Community interest above narrow national advantage;
7. Endorses the Commission's energy policy objectives for 1990 in general, but nevertheless entertains doubts because either the objectives have been set too high or the efforts of the Community are too weak to attain them, and further considers that objectives for 2000 should be laid down as soon as possible as at least ten years must elapse before the necessary investments start to yield results;
8. Is of the opinion, however, that the aims of the 1990 programme cannot be achieved without vigorous energy-saving measures as the nuclear energy programmes of the Member States are unlikely to be realised in full, while the coal and oil targets also appear to be over-optimistic, because of external factors beyond the Community's control;
9. Considers that the main aim of the Community's energy policy is the achievement of maximum independence with regard to imported oil;
10. Urges the Commission and Council to enter into a more intensive political dialogue with the oil-producing countries aimed at establishing collaboration not just on oil problems but tackling the more general economic problem that forms part of the overall energy policy;

11. In this connection, is in favour of increased energy saving by all consumer groups, provided there are no unjustifiably adverse effects for the economy or the weaker social groups;
12. Is of the opinion that, for energy-saving measures to be effective, a new attitude to energy prices is necessary whereby prices reflect the scarcity of energy and the basic needs of all consumers, and calls on the Commission to prepare a report to this end;
13. Calls on the Commission to draw up as detailed and exhaustive a list as possible of ways of saving energy, and to propose increased Community financial support for energy saving investment projects, taking into account greater recovery levels of the Community's resources, more efficient conversion ratios and better use of energy by industry, the transport sector and consumers;
14. Is of the opinion that every effort must be made to reduce the ratio between economic growth and energy consumption to about 0.6 by 1990;
15. Considers it essential to prevent any waste, by means of a long-term energy programme, setting out guidelines for all Member States and concentrating on the inefficient areas of energy utilization;
16. Is of the opinion that in the medium term Member States' anticipated energy requirements in 1990 can be met only if greater recourse is had to coal and nuclear power;
17. Urges the further development of nuclear energy with due regard for strict uniform safety standards to be defined at Community level;
18. Considers it essential to restore coal output to at least 250 million tons a year and more in the long term, and to increase coal imports as a supplement to increased Community production but not to the extent that dependence on imports damages the viability of the Community's investment in indigenous coal production;
19. Calls on the Commission and the Council to exhaust every possible means of providing Community aid for the gasification and liquefaction of coal so that industrial production can start up as soon as possible;
20. Urges most strongly that research and development in respect of all renewable energy sources, particularly solar energy and the biomass, be increased and accelerated so that by 1990 they may account for 3-4% of energy supplies per annum, and calls for a much larger financial outlay to this end;

21. Calls on the Council to take a definite decision on the Commission's proposals to encourage Community oil and natural gas exploration which have been on the table for many years;
22. Is of the opinion that modifications to energy distribution networks to meet anticipated requirements in the 90s must be planned and started now;
23. Deprecates the fact that the implementation of the energy policy objectives, particularly energy-saving measures, still differs widely in the various Member States, thus creating the inevitable impression that the existence of an energy crisis has not been apprehended;
24. Urges the Commission to investigate at its earliest opportunity the possible effects of the Community's expansion on this question;
25. Is convinced that the dangers inherent in an energy shortage can be averted only by united action within the Community;
26. Therefore urges the Council and Commission to ensure greater convergence between Member States' energy policies; is, however, of the opinion that convergence has so far meant only a formal equality of status as between the Member States' energy policies, and therefore calls on the Commission to consider significant and truly comparable criteria;
27. Notes that the non-oil-producing developing countries are the worst hit by the energy crisis; therefore expects the Community, together with the oil-producing countries, to help as best it can the developing countries through investment and technological assistance and thereby to try to reduce these countries' balance of payments difficulties and to expedite research and development projects which will enable them to become more self-sufficient in energy and less dependent on oil;
28. Calls on the Commission to intensify its general and specific information activities in the energy sector, particularly in the schools, so as to increase awareness of the energy problem in the Community;
29. Calls on the Commission, in view of the importance of the energy supply problem, to report to the European Parliament at least once every six months and, if necessary, more frequently on the progress made and successes and failures encountered in implementing energy policy objectives, as also on convergence between the policies of the individual Member States;
30. Calls on the Commission to produce an analysis of the capital required to overcome the problems associated with energy;
31. Calls on the Commission to issue immediately, on the basis of concrete programme proposals a loan of 2,000m EUA to finance investments in the renewable energy and energy-saving sectors;
32. Approves in general the Commission's communication on the objectives for 1990 subject to the above considerations and requests the Commission to incorporate the following amendment in its proposal, pursuant to Article 149, second paragraph, of the EEC Treaty;
33. Instructs its President to forward this resolution and the report of its committee to the Council and Commission.

PE 60.211/fin.



TEXT PROPOSED BY THE COMMISSION

OF THE EUROPEAN COMMUNITIES<sup>1</sup>

AMENDED TEXT

Resolution on energy objectives for 1990

The Council :

- having taken note of the Communication from the Commission on 'Community Energy Objectives for 1990 and Convergence of the Policies of the Member States' unchanged
- having regard to its resolutions of 17 September 1974, 17 December 1974 and 13 February 1975<sup>2</sup> unchanged
- having regard to the conclusions reached by the European Council of July 1978 and of March 1979, fixing for 1985 the following objectives: unchanged
  - . to reduce to 0.8 the ratio between the increase in the demand for energy and economic growth unchanged
  - . to limit oil imports to the 1978 level, i.e. 470 million tonnes unchanged
- having regard to the opinion of the European Parliament,

Rest unchanged  
Annexes unchanged

<sup>1</sup> For complete text, see COM(79) 316 final

<sup>2</sup> See OJ No. C 153, 9.7.1975, p. 1, 2 and 6

EXPLANATORY STATEMENTI. INTRODUCTION<sup>1</sup>

1. This communication from the Commission on the Community's energy objectives for 1990 and the convergence of Member States' policies is the third of a series, the first two of which dealt with the objectives for 1985. In its last report<sup>2</sup> the European Parliament asked the Commission to put forward energy policy objectives for 1990 as soon as possible, and it is gratifying to note that it has now done so.

2. It is rather surprising that no Community energy policy objectives were set prior to 1975; all the Member States were to varying degrees major importers of energy, and energy production constituted an important part of the economy in several of them. Part of the explanation is that the Treaties deal only with nuclear energy and coal policies.

3. The ECSC Treaty deals mainly with the eventuality of a coal shortage, the opposite in fact of what has actually happened in the Community. It is paradoxical that a shortage could again arise in the near future, but in a transitional stage of a different type, i.e. a lack of production capacity and ways of using coal.

4. A common energy policy was initiated in 1973/74 with the adoption of a Council resolution. It was not foresight that was the motivating factor but external events that forced the Community to analyse the situation. It was realized that:

- as the Community was very dependent on imported energy (63%) it was extremely vulnerable to events over which it had little or no control,
- oil accounted for a dangerously high proportion of total energy imports (61%),
- imports were obtained from only a few suppliers in politically unstable areas,
- as Member States confidently expected cheap regular supplies they had more or less disregarded the possibility of developing their own energy sources.

<sup>1</sup> The Commission's communication 'The energy programme of the European Communities' (COM (79) 527 final) of 4 October 1979 has been used as well as its communication on the 1990 objectives.

<sup>2</sup> OSBORN report, Doc. 433/77 (December 1977)

5. Despite the fact that the 'first' oil crisis occurred six years ago, suprisingly little has been done to remedy the situation. Almost all action in the energy field has been prompted by external events and bears little relationship to the extent of the problem. This is obvious merely from the cost of oil imports to the Community economy. Whereas in 1973 the 580 million tons of oil imported cost about 15,000 million dollars, imports in 1978 had fallen to 452 million tons, but by that time cost about 50,000 million dollars. It is expected that the same volume of imports will cost about 70,000 million dollars in 1979.

6. At Community level the Council is primarily responsible for this; there has been no lack of proposals, large and small, from the European Parliament and the Commission.

## II. GIST OF THE COMMISSION'S COMMUNICATION

7. The Commission's communication is in two parts; firstly, the objectives for 1990 and secondly, a comparison of Member States' energy policies to show whether and to what extent the energy objectives for 1985 are being complied with. A draft Council resolution on energy objectives for 1990 has been drawn up on this basis.

### 1990 objectives

8. The principal objective set is to reduce dependence on imported energy to 50%. Net oil imports are to be kept at the 1978 level, i.e. 470 million tons. A further objective is to reduce the ratio between the increase in energy consumption and the increase in gross national income to under 0.7 on the basis of an estimated annual economic growth rate of 3.9.

If this objective is to be attained, the following measures must be implemented at national and Community level:

- (a) a stepping up of energy saving measures,
- (b) increased use of solid fuels and nuclear energy which, together, should cover 70 to 75% of electricity production. This implies that as a minimum:
  - coal production should be increased to at least the 1973 level (250mtce),
  - imports of coal from third countries should be increased to well above the 1978 level (45 million tons),
  - additional solid-fuel-burning capacity should be created in power stations and industry,
  - a nuclear energy capacity equivalent to 130 GW should be developed.

- (c) structural adjustment of refining capacities,
- (d) an increase in the domestic production and exploration of hydrocarbons,
- (e) research, development and utilization of renewable energy sources,
- (f) development of intra-Community trade in energy,
- (g) increased energy investments,
- (h) implementation of a price policy that ensures that consumer prices reflect actual production costs and long-term supply costs; guaranteed market transparency,
- (i) making the public fully aware of the energy problem.

9. If this objective is to be obtained, these measures must be implemented in full and simultaneously. Should one of the proposed measures not be implemented, any shortcomings must be made good by the other measures.

10. The objectives do not in fact differ from those set for 1985 although they are described in greater detail. Greater emphasis is however put on the need for immediate action over a wide area. No appreciable results can be expected in 1990 unless decisions are taken forthwith on the energy policy measures to be implemented, as an average of 8 to 10 years are needed from the time a decision is taken until a viable level of production is reached.

## Oil

11. The oil crisis in 1973/74 showed clearly that the Community was facing a supply crisis, even though there was disagreement as to the scale of this crisis. The Iranian supply embargo of 1979 confirmed this fact.

Today it seems to be agreed that most of the oil-producing countries produce and export more oil than they need to for economic reasons.

This may be regarded as a sign of goodwill towards the oil-consuming countries. On the other hand, it is estimated that world demand for oil from the OPEC countries will exceed OPEC production by 3 to 4 million barrels a day as early as 1985.

12. This is clear evidence of how dependent, politically and economically, the oil-importing countries are. Various efforts have also been made to reduce demand for oil and to increase domestic oil supplies. The main question is whether the measures are wide-ranging enough to change supply and demand radically and quickly enough to stave off a near catastrophe in the future. Your rapporteur fears that the answer is no.

13. There are some positive signs however. In 1973 oil accounted for 61% of all energy consumption; today it accounts for 55%. But it is well known that it is easier to save the first barrel of oil than the last. Besides, the decrease is mainly due to a decrease in economic activity in the Community.

Increased economic growth means increased demand and therefore increased oil imports even if the ratio between economic growth and growth in energy consumption is more favourable. The question is really whether even a minor increase in imports will result in the import ceilings laid down internally in the European Communities or by the oil-exporting countries being exceeded.

14. At the last Council meeting the Community set import ceilings for each Member State up to 1985 so that the Community's total imports would be kept at the 1978 level. This agreement was a political (and economic) necessity. The decision is to be welcomed. Your rapporteur hopes that this objective can be attained, particularly in view of the efforts being made to increase economic growth, a priority objective in all Member States for social and other reasons.

15. The measures concern both supply and demand. Other measures are aimed at diversifying supplies, as regards both types of energy and supplier countries. This objective required no further explanation.

On the supply side, national and Community measures have been directed towards:

- converting oil-fired production units, particularly power stations, to other energy sources,
- energy-saving measures and rational use of oil,
- increased prospecting for oil in and outside the European Community.

16. The Committee on Energy and Research endorses these measures to increase internal oil production but feels that efforts ought to be intensified despite the investments involved. It repeats that investment decisions must be taken now if there are to be any results by about 1990.

#### Coal

17. Coal is the Community's most abundant internal source of energy. Its importance decreased during the period when oil supplies were plentiful and cheap. In the period up to 1978 production fell but stocks increased. On the other hand, imports of much cheaper coal from

third countries have been increasing steadily.

18. Despite the price explosion on the oil market the use of Community coal in areas where it represents a real alternative have increased only slightly. For financial and physical reasons it is doubtful whether the trend can be reversed in time and to the necessary extent despite the vast amounts of national economic aid granted to the coal industry (2,700 million EUA in 1978) and considerable support from the ECSC budget. Demand still seems to be the deciding factor.

19. Whether or not coal consumption increases markedly will depend primarily on whether more coal is used in power plants. In 1975 the Community adopted two regulations prohibiting the construction of oil- or gas-fired power plants although provision was made for exceptions. The important point however is that orders were placed for a considerable number of oil- and gas-fired power plants before then. Many of the power plants now under construction or planned are designed for dual-firing. It is interesting to note that 34.5 GWe of capacity could be oil-fired, and of this 19.2 GWe will burn only oil. 27.2 GWe could be coal-fired, and of this 10.7 GWe will burn only coal.

20. The Commission takes the view that even if large financial subsidies were granted, it would probably be difficult to maintain coal production at the 1973 level because of the technical problems raised by the expansion of coal production, particularly in connection with the opening up of new deposits, and because of the shortage of labour in this sector. The rapporteur however considers that every effort must be made to reach and, if possible, exceed the 1973 production level.

21. There must be clear signs of an increase in coal consumption before a new coal-mining capacity can be established. In the circumstances, unless this can be done on an economically profitable basis and unless the decisions are taken in the next couple of years, it will not be possible to attain the objectives set for 1990.

22. Despite its repeated assurances that it wants to promote the use of coal as much as possible, the Council has still not taken a positive decision on the by now old Commission proposals for promoting the use of coal. The proposal on financial measures to promote the use of coal for electricity generation is the most important because of its effect on demand. The rapporteur considers the proposal on aid for intra-Community trade in coal to be less important as he feels the aid proposed is inadequate. If the proposal were adopted a subsidy of \$3 would be granted for each ton of coal traded between the Member States. However, the world market price is about \$30 whereas Community coal costs between \$45 and \$90 a ton.

23. It is worth mentioning in this connection that the Community contributes about 50 million EUA to research into coal liquefaction and gasification, for which the total investment is 107 million EUA. This research project received Parliament's wholehearted support. The research effort ought to be intensified for two reasons: use of such technology on an industrial scale will provide the basis for increased consumption of a plentiful energy source, and the end-products are an important alternative to imported energy.

24. In the light of the facts available the objectives drawn up by the Commission on the basis of Member States' forecasts seem to be too optimistic. This assessment has been reached on the basis of the policies conducted at both national and Community level. Even the proposals put forward seem to be inadequate. The fact that there are so few of them and that they are not more wide-reaching is presumably due to the fact that the Commission considers that the Council is unable to take the necessary decisions. It is likely that the current budget negotiations will again confirm the Council's lack of ability or volition to cope energetically with the energy crisis. Your rapporteur cannot condemn the lack of forcefulness in the Council, which could become disastrous in a few years, strongly enough.

25. The Commission is also urged to prepare a financial analysis of the investments needed to meet these objectives in the various branches of production and consumption.

#### Nuclear energy

26. In their forecasts for 1990 the Member States indicated a total installed nuclear capacity of 140 GW (a decrease of about 20 GW compared with previous forecasts for 1985). The Commission feels this forecast is too optimistic and considers the maximum to be slightly more than 120 GW. Even this figure seems optimistic as it represents about 12 to 15 new plants a year in the period up to 1990.

27. Forecasts of the share of nuclear energy in energy supplies are still high even though experience has shown that forecasts are constantly being revised and always downwards. Your rapporteur is convinced that the latest forecast will also be adjusted downwards in the coming years in the light of developments. There is no hope of the plants needed, i.e. 12 to 15 new ones a year until 1990, being a realistic possibility.

28. This is being put forward as an assessment of the political realities and despite the following declaration at Summits at Bonn and Tokyo (in 1978 and 1979 respectively) of the Community's official nuclear energy policy: 'The further development of nuclear energy is indispensable and the slippage in the execution of nuclear power programmes must be reversed' and

'without the expansion of nuclear power generating capacity in the coming decades, economic growth and higher employment will be hard to achieve. This will be done under conditions guaranteeing people's safety'<sup>1</sup>.

The Commission has endorsed this declaration. The indirectly elected Parliament also made statements along these lines in a number of decisions and opinions.

29. Your rapporteur is also of the opinion that Member States must increase their efforts to implement the measures needed to attain the objectives they themselves set as regards the development of nuclear energy.

30. It should also be mentioned that some people in the European Communities are against the increased use of nuclear energy or even any at all. They stress that until completely safe operating conditions and a solution to the problem of the processing and disposal of nuclear waste are found, no new nuclear power plants should be put into operation.

31. This problem was also the subject of the motion for a resolution on nuclear energy tabled at Parliament's July 1979 part-session by Mr Coppieters and others<sup>2</sup> with request for urgent debate pursuant to Rule 14 of the Rules of Procedure.

The proposal for a debate on urgent procedure was rejected after a vote and the motion for a resolution was therefore referred to this committee<sup>3</sup>.

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<sup>1</sup> COM (79) 527 final, p.16

<sup>2</sup> Motion for a resolution on nuclear energy, Doc. 1-237/79

<sup>3</sup> The committee decided at its meeting on 11 October 1979 to discuss the motion for a resolution in conjunction with this report.



The motion for a resolution is worded as follows:

'The European Parliament,

- having regard to the energy crisis which is threatening to disrupt economic and social activity in the Community, with inestimable consequences for prosperity and peace,
  - having regard to the deep anxiety felt by the public concerning the safety, or lack of safety, of nuclear power stations and the vital, and as yet unsolved, problems caused by breeder-reactors, reprocessing and the storage of nuclear waste,
  - considering that the conclusion reached by the European Council at its meeting of 21/22 June 1979 is, to say the least, very superficial and moreover prejudices the comprehensive parliamentary debates due to be held in a number of Member States on energy, thus threatening or weakening the contributions which are essential to those debates,
1. Requests the European Council to reconsider the conclusion mentioned above;
  2. Urges the Council and Commission to make a thorough and immediate study of alternative sources of energy and to lend every support to energy-saving programmes, and calls for substantial funds to be made available specifically for this purpose;
  3. Requests its President to forward this resolution to the Council and Commission'.
32. With reference to the prevailing uncertainty about the use of nuclear energy and the present energy crisis, proposals are being made for at least a moratorium and a much more thorough study of alternative energy sources and more intensive energy-saving programmes to cope with the energy crisis.
33. Your rapporteur fully endorses the desire to make full use of the contribution offered by alternative or renewable energy sources. Nor has he any hesitation in fully supporting the need for increased and more effective energy-saving programmes. On the other hand, it seems that, provided social tension can be avoided, nuclear energy will have to make some contribution towards energy supplies if economic growth is to be maintained. In the foreseeable future, some use will have to be made of nuclear energy, at least of the present capacity, even with a lower rate of economic growth.

## Gas

34. Supply prospects seem better for gas than for other energy sources. However, Community gas production will drop in the period up to 1990 and contracts have already been signed for substantial imports (four times the 1978 figure).

The Commission considers it likely, however, that gas supplies will exceed Member States' forecasts in 1990 provided every possibility for increasing production and imports is pursued.

35. An improved distribution network is needed if gas deposits, including those expected to be found in the North Sea, are to be used to the best advantage. A general expansion of supply and distribution networks in the Community (including the electricity network) is called for if full and economic use is to be made of the installed capacity.

36. In this connection the Community should also consider whether it is physically and financially possible to expand existing and/or construct new storage capacities for energy, including uranium, as a safety measure.

## Energy savings

37. Energy savings will be discussed only briefly in this opinion as Parliament will shortly discuss a new Commission proposal on new guidelines for Community energy-saving efforts.

38. The Commission maintains that in the longer term application of today's energy-saving techniques and more rational use of energy could lead to energy savings of 15 to 30% in industry, 20 to 35% in the transport sector, and up to 50% in the domestic and service sectors.

39. The Community has aggravated the energy crisis by wasting energy. We all know from our own experience that even greater savings could be made. It is significant that energy consumption in 1978 was the same as in 1973 even though the European Community's gross national product increased by 12% in real terms.

40. For economic and supply reasons savings must be encouraged as much as possible. Up to a certain point this is also the cheapest way of solving some supply problems. National energy-saving programmes are therefore rather surprising. In 1978 energy-saving programmes were allocated a total of 782 m EUA in the budgets of the Member States, emphasis being laid on improved insulation of existing buildings, research and development projects and industrial investment aids. But this figure conceals wide differences in national programmes. Whilst Denmark for instance allocated 15.4 EUA per capita from public funds and the Netherlands 8.3 EUA, Belgium allocated only 0.4 EUA and Italy and Ireland only 0.2 EUA per capita. Some of the difference can of course be explained by different climatic conditions and differences in economic capacity. But these factors do not and should not provide sufficient justification for the inadequacy of the measures taken in this area.

41. Your rapporteur earnestly calls for more wide-ranging and effective national and Community measures in this area. The Community is already collaborating in the development of energy saving technologies but efforts should be intensified. The Commission for instance should in future consider the possibility of coordinating the dissemination of knowledge gained at national level, and should also encourage private research. The public should also be made more aware of the consequences of their attitude to energy. Even slight changes in attitude and conduct can lead to considerable savings without any deterioration in the quality of life or standard of living.

#### Renewable energy sources

42. It is expected that as a result of existing and proposed action in the field of renewable energy sources, they will account for between 4 and 7% of energy supplies in the year 2000. Their contribution in 1990 cannot be expected to be very substantial because of the long time it takes to develop these technologies.

The Community has concentrated its efforts on the use of solar energy, geothermal energy and the gasification and liquefaction of coal. For economic and technological reasons it seems reasonable to give these projects priority, and as they are large and costly, they can best be handled at Community level.

Your rapporteur is nevertheless of the opinion that research and development has to be intensified. The need for energy is sufficient justification for this. The Commission is also urged to put forward proposals as soon as possible on coordinated action that will permit the development and use of renewable forms of energy at

the point of consumption. This will not only lead to immediate savings in individual households, it will also provide a valuable contribution to national economies and supplies. For example, greater consideration must be given to obtaining energy from biomass sources.

Although the percentage contribution from these forms of energy may seem small, the Community, which can be upset by even slight changes in the pattern of supply, cannot afford to ignore them. One technical problem that still exists is to find economically feasible storage methods but it should be possible to solve this problem at least partially in the foreseeable future. Research and development must be stepped up in this field.

#### Motion for a resolution on energy policy

43. As will be seen, the rapporteur's remarks are very much along the lines of those made in the following motion for a resolution tabled by Mr Müller-Hermann and others pursuant to Rule 25 of the Rules of Procedure<sup>1</sup>, which is worded as follows:

##### 'The European Parliament,

- in response to the political events in Iran, which, once again, make it clear to all those in positions of responsibility how unstable the situation is in a number of major oil-producing countries or how susceptible they are to unsettling political developments and demonstrate the Community's total dependence on, if not vulnerability to, events over which it has no control;
- in the expectation that the USA will make concentrated efforts to solve its own energy problems by mobilizing its resources, which are far greater than those of the European Community, and by a high level of investment;
- convinced that the European Community has no alternative but to liberate itself as far as possible from its dependence on OPEC oil at the latest by 1990 by means of conservation, increased use of coal, natural gas and its own oil and by the development of alternative sources of energy;
- realizing that Europe's own reserves of coal, natural gas and oil are limited, that in a growing economy conservation can do little more than stabilize energy consumption, that coal cannot be produced in the Community on the scale required for the generation of electricity and that in the long term it is too valuable a raw material to be burned up simply to generate electricity;

<sup>1</sup> Doc. 1-518/79  
Parliament referred the motion for a resolution to this committee on 16 November 1979. At its meeting of 20 November 1979 the committee decided to consider it in conjunction with this report.

- acknowledging that the development of both conventional and alternative energy sources requires long run-up periods and exceptionally high capital investment;

Solemnly urges the Council

- to give the Community's energy policy at long last the priority which it merits,
- to take a decision on the practical proposals made by the Commission to introduce conservation measures, to promote the use of coal, to rationalize coal mining, to step up research and development of alternative energy sources particularly in the field of liquefaction and gasification of coal,
- and to push ahead with the essential task of promoting coal and nuclear energy as the only realistic energy sources open to us in the medium term. Proper consideration must at the same time be given to the harmonization of safety standards and to an effective system for the disposal of nuclear wastes.'

#### Enlargement of the Community

44. Your rapporteur notes with satisfaction that in presenting the energy objectives for 1990 the Commission has mentioned some of the consequences of enlargement of the Community, although only in very general terms. It seems to be clear, however, that the energy balance will be further aggravated. The Commission is urged to undertake a more detailed analysis as soon as possible of the advantages and disadvantages of enlargement so that the necessary measures can be proposed when appropriate.

#### Cooperation with energy producers and consumers outside the Community

45. International cooperation on energy policy is already a fact. The European Communities for instance participate in the work of the OECD/IEA on both general and specific energy policy problems and in the work of the IAEA in Vienna on nuclear energy policy.

Recently the Commission and four Member States participated in the Tokyo Summit, at which energy problems were the main topic of discussion. For the first time agreement was reached on realistic and constructive measures on a more world-wide basis. This is a new development.

46. Relations with the oil-producing and exporting countries occupy a special place in the Community's external relations, although discussions have so far been sporadic and often of a more informal and bilateral nature. There is no doubt that they must be intensified and, if they are to be fruitful, must to some extent be institutionalized. It has so far been difficult to reach agreement on a definition of the subjects to be discussed.

Although the difficulty of formulating subjects for mutual discussion may be great, there seems to be no doubt about the nature or extent of each party's hopes and requirements. If the situation is analysed and presented in a frank and straightforward fashion, it should be possible to draw up a list of the problems of common interest. The European Community must however present a united front as a guarantee that it will honour the commitments it might enter into in such a dialogue.

47. Relations with those developing countries which have very limited energy resources occupy an important place in the Community's external relations. These countries have been hardest hit from a supply and economic point of view by the increasing shortage of energy. The Community has a special obligation and responsibility for mitigating and remedying some of the effects of the energy crisis. Efforts must be directed at a broad spectrum of problems. Here in particular the Community should be able to provide technological assistance required by those countries.

#### Final remarks

48. Before a forecast can be made for the European Community that provides an overall picture of energy policy trends, Member States' policies must obviously be compared. Only then will it be possible to assess how far the objectives have been complied with and if necessary to make adjustments.

The committee acknowledges that it is difficult to draw up forecasts; figures and situations often have to be dealt with that are difficult to compare and, moreover, frequently change. It is evident, however, that the Commission has made only a limited analysis of the consequences of variations/changes in one or more energy parameters such as demand, supply, economic growth, etc. It has contented itself with stipulating that all the objectives, which are extremely general from a numerical point of view, must be attained at the same time. It is thus unclear what the economic consequences of a further oil price increase like the one the Community experienced in 1979 will have on the rest of the energy sector and other sectors of the economy. One would be justified in asking what the effect would be on supply and demand for other sources of energy and what the financial consequences would be if, for example, the installed nuclear capacity in 1990 were to fall substantially short of the projected goals.

In the rapporteur's view the estimate given of the energy situation in 1990 is far too optimistic as on the whole an optimal trend is expected. He would have preferred it if models or scenarios had been developed of the various possible trends. Only then would it be possible to determine exactly what action is necessary, not just in general terms but also in the different energy sectors. The rapporteur fears that even if the objectives set in the draft Council resolution are adopted as commitments by the Council, the real decisive step of implementing these objectives will not be taken. Although the Commission document does not state so unequivocally, it is manifest that the Community's energy policy is going through a dangerous and uncertain phase. The greatest possible effort is therefore needed if a more positive outlook for energy supplies is to be achieved.

MOTION FOR A RESOLUTION (Doc. 1-237/79)

tabled by

Mr COPPIETERS, Mr BLANEY, Mr PANNELLA,  
Mrs CASTELLINA, Mr DE GOEDE, Mrs DEKKER,  
Mrs BONINO, Mr CAPANNA, Mr SCIASCIA,  
Mr MAHER and Mr COLLA

on nuclear energy

The European Parliament,

- having regard to the energy crisis which is threatening to disrupt economic and social activity in the Community, with inestimable consequences for prosperity and peace,
  - having regard to the deep anxiety felt by the public concerning the safety, or lack of safety, of nuclear power stations and the vital, and as yet unsolved, problems caused by breeder-reactors, reprocessing and the storage of nuclear waste,
  - considering that the conclusion reached by the European Council at its meeting of 21/22 June 1979 is, to say the least, very superficial and moreover prejudices the comprehensive parliamentary debates due to be held in a number of Member States on energy, thus threatening or weakening the contributions which are essential to those debates,
1. Requests the European Council to reconsider the conclusion mentioned above;
  2. Urges the Council and Commission to make a thorough and immediate study of alternative sources of energy and to lend every support to energy-saving programmes, and calls for substantial funds to be made available specifically for this purpose;
  3. Requests its President to forward this resolution to the Council and Commission.



ANNEX II

MOTION FOR A RESOLUTION (Doc. 1-518/79)

tabled by Mr MULLER-HERMANN, Mr HERMAN,  
Mr d'ORMESSON, Mr SASSANO, Mr FISCHBACH,  
Mr VERGER, Mr JONKER, Mrs WALZ, Mr FUCHS,  
Mr RINSCHKE and Mr SALZER

on behalf of the Group of the European People's  
Party (Christian Democratic Group) and  
Mr SELIGMAN, on behalf of the European Democratic Group

on energy policy

The European Parliament,

- in response to the political events in Iran, which, once again, make it clear to all those in positions of responsibility how unstable the situation is in a number of major oil-producing countries or how susceptible they are to unsettling political developments and demonstrate the Community's total dependence on, if not vulnerability to, events over which it has no control;
- in the expectation that the USA will make concentrated efforts to solve its own energy problems by mobilizing its resources, which are far greater than those of the European Community, and by a high level of investment;
- convinced that the European Community has no alternative but to liberate itself as far as possible from its dependence on OPEC oil at the latest by 1990 by means of conservation, increased use of coal, natural gas and its own oil and by the development of alternative sources of energy;
- realizing that Europe's own reserves of coal, natural gas and oil are limited, that in a growing economy conservation can do little more than stabilize energy consumption, that coal cannot be produced in the Community on the scale required for the generation of electricity and that in the long term it is too valuable a raw material to be burned up simply to generate electricity;
- acknowledging that the development of both conventional and alternative energy sources requires long run-up periods and exceptionally high capital investment;

Solemnly urges the Council

- to give the Community's energy policy at long last the priority which it merits,
- to take a decision on the practical proposals made by the Commission to introduce conservation measures, to promote the use of coal, to rationalize coal mining, to step up research and development of alternative energy sources particularly in the field of liquefaction and gasification of coal,
- and to push ahead with the essential task of promoting coal and nuclear energy as the only realistic energy sources open to us in the medium term. Proper consideration must at the same time be given to the harmonization of safety standards and to an effective system for the disposal of nuclear wastes.