

**INFORMATION****E N E R G Y****COMMUNITY ENERGY POLICY - OBJECTIVES FOR 1985 (1)**

79/74

The Commission has recently approved quantified guidelines for a medium-term Community energy policy.

The chief aim is still that set out by the Commission in its "New Strategy"<sup>(2)</sup> in May 1974, i.e., to increase by every possible means the Community's independence of oil supplies from abroad.

To this end, the Commission thinks that the Community's future energy supplies can best be ensured by an extensive use of nuclear energy, the maintenance of the level of coal production, an increase in coal imports, a more or less complete stabilisation of the composition of crude oil and an increased use of natural gas.

However, certain changes should be noted in the figures, including revised calculations which induce the Commission to estimate that there could be a 15% saving in energy, whereas in May 1974 the figure estimated had been 10%.

The quantified objectives thus appear as follows (objectives estimated in May 1974 in brackets):

\*  
**TOTAL COMMUNITY PRIMARY ENERGY NEEDS IN 1985**

	1973		1985		1985	
	estimates	%	initial prospects	%	objectives	%
	Mtop <sup>(3)</sup>	%	Mtop	%	Mtop	%
Solid fuels	227	22.6	175	10	250(250)	
Oil	617	61.4	1160	64	600-650(655)	41-44(41)
Natural gas	117	11.6	265	15	290-340(375)	20-23(24)
Hydraulic and geothermal energy	30	3.0	40	2	43(35)	3(2)
Nuclear energy	14	1.4	160	9	242(260)	16(17)
<b>Total</b>	<b>1005</b>	<b>100</b>	<b>1800</b>	<b>100</b>	<b>1475(1575)</b>	<b>100</b>

\*) Internal consumption + exports + bunkers

(1) COM(74) 1960

(2) Towards a New Strategy for the Community Energy Policy: (COM(74)550 final; see P-36 1974)

(3) Millions of toe = millions of tonnes of oil equivalent; 0.7 toe = 1 tce (tonne of coal equivalent)

These broad objectives must be adapted to the special situation of each particular Member State, and should serve as guidelines for national policies and as the "leitmotiv" of decisions of Community producers and consumers. Even if they sometimes transcend strictly national interests, the coordination of the efforts of all the Member States will directly and indirectly benefit the Community as a whole.

The Community's detailed objectives can be summarised as follows :

### I. Energy demand

- A. To limit the rate of growth of internal consumption to 3.5% per annum as against the 5% originally envisaged.

The work done recently by the Commission with the help of national experts has shown that consumption could be reduced by 1985 to a level 15% lower than that previously estimated (first estimate of 10% put forward by the Commission in its communication of June 1974 on a "New Strategy for the Community Energy Policy").

- B. In parallel with the development of nuclear energy, to encourage a progressive increase in the consumption of electricity, to bring the share of this form of energy to 35% of total energy consumption in 1985 (25% in 1973).

### II. Energy supply

To reduce dependence on imported energy to about 40% (63% in 1973).

#### A. Solid fuels

- To maintain the level of Community hard-coal production in absolute terms (175-180 million toe in 1985; 1973 : 178 Mtop).
- To increase coal imports from non-Community countries (35-40 million toe in 1985; 1973 : 22 Mtop).
- To raise the production of brown coal and peat to 30 million toe

#### B. Natural gas

- To raise Community production (underground and undersea deposits) to at least 195 million toe, and if possible 225 million toe, by 1985; 1973:114 Mtop).
- To ensure the importation of 95-115 million toe from non-Community countries (1973:4 Mtop).

The total contribution of natural gas should amount to 290-340 million toe. This figure, which represents a reduction in the figure given in the New Strategy (375 million toe), reflects the need to ensure a better utilisation of gas resources and to continue active prospecting in areas likely to contain new reserves.

#### C. Nuclear energy

- To create by 1985 a total power plant system with an installed capacity of 200 GWe, producing almost half the Community's electricity.

Although the nuclear programmes published by the Member States aim only at about 160 GWe of installed capacity by 1985; the Commission believes the industry to be capable of attaining a higher objective if a detailed programme is put before it without delay. A more ambitious objective of this kind is necessary, because only nuclear energy can substantially reduce oil imports.

D. Hydraulic and geothermal energies

- To develop and install equipment for hydraulic and geothermal sites so as to raise the contribution of these sources to energy supplies to 43 million toe (30 million toe in 1973).

E. Oil

- To limit oil consumption wherever oil can be economically replaced by other energy sources.
- To increase North Sea production to 180 million toe by 1985 at the latest.
- To reduce imports from non-Community countries to 420-470 million toe, or about 30% of total energy requirements (61% in 1973), or 70-72% of oil consumption (98% in 1973).

F. Other energy sources

- To ensure by a policy of technical research and development that traditional energy sources are more efficiently exploited and are replaced in the long term by new sources.

Sectoral proposals

The above broad objectives determine the lines of policy on the various individual energy sources (coal, oil, nuclear generation, gas, etc.) and on the reduction of energy consumption. The Commission has therefore adopted proposals on the following matters :

- a programme for the rational use of energy aimed at slowing down the growth of consumption;
- the encouragement of electricity consumption in parallel with the development of nuclear energy, allowing for the need to finance investment in the electrical sector;
- the use of nuclear energy to supplement the contribution of thermal power stations to electricity supplies. A search should be made throughout the Community for the best sites for nuclear power stations, having regard (as with other energy sources) to the safety of the population and environment amenity.
- a Community policy making it possible to stabilise the production of coal and progressively to ensure free access to the world market for all Community producers;
- a Community supply policy for hydrocarbons (oil and natural gas)

Such a policy will require the rapid development of existing Community resources, the creation of diversified and secure external supplies and the best use of available sources. It will also call for a transparent price system and a better use of investments. Lastly, it will contribute to achieving the unity of the common market, even in the event of difficulties of supply.

- a Community supply policy for nuclear fuels which will improve security of supplies by fixing the share of supplies to be covered by Community industrial operators.

The Commission also asks the Council to express an opinion on the principle of the fastest possible development of the energy resources of each Member State in satisfactory economic conditions. For this purpose a target programme should be periodically drawn up, covering the development of production of and prospect for energy, indicating the required investments of all kinds.

---

Re: INFORMATION MEMO P-66 of the Spokesman's Group

---

Reproduction authorised, with or without indication of origin. Voucher copies would be appreciated.

1/75