



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 4.11.1999
COM(1999)558 final

97/0371 (COD)

OPINION OF THE COMMISSION

**pursuant to Article 251(2) (c) of the EC Treaty,
on the European Parliament's amendments
to the Council's common position regarding the
proposal for a**

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**adopting a Multiannual Programme for the Promotion of Energy Efficiency (S
(1998-2002)**

**AMENDING THE PROPOSAL OF THE COMMISSION
pursuant to Article 250 (2) of the EC Treaty**

EXPLANATORY MEMORANDUM

Article 251, paragraph 2 (c) of the EC Treaty foresees that the Commission gives an opinion on the amendments proposed by the European Parliament in its second reading.

The Commission gives its opinion below on the 8 amendments proposed by Parliament. In accordance with Article 250, paragraph 2 of the EC Treaty, a modified proposal is attached which incorporates wholly or in part the five Parliamentary amendments accepted by the Commission.

1. BACKGROUND

Proposal transmitted to Parliament and Council	04.12.97
Opinion of Economic and Social Committee	29.04.98
Opinion of Committee of Regions	16.07.98
Parliament's opinion on first reading	11.03.99
Commission's amended proposal (COM(1999)211)	21.05.99
Common position adopted	28.06.99
Commission's opinion on the common position (SEC(1999)1095)	16.07.99

In the latter document (SEC(1999)1095), the Commission concluded that the common position was consistent with and supportive of the Commission's amended proposal (COM(1999)211) and therefore the Commission supported the common position.

2. PURPOSE OF THE COMMISSION PROPOSAL

The purpose of the Commission's proposal is to include the SAVE II programme (which expires on 31.12.2000) as Annex V of the Multi-annual Framework Programme for the Energy sector which was adopted by the Council (Council Decision 1999/21/CE) and to extend its duration by 2 years to 2002. SAVE forms part of the strategy to limit emissions of CO₂.

3. COMMISSION'S OPINION ON PARLIAMENT'S AMENDMENTS

The Commission accepts wholly, partly or in principle five of the eight amendments proposed by Parliament. They are incorporated in the new modified proposal so that they can be re-examined by the Council.

3.1. Amendments accepted by the Commission

- Amendment 4 is accepted in its entirety as there is a clear complementarity between activities in the fields of energy efficiency and renewable energy sources.
- Amendments 5 and 12 are accepted in principle in the light of the new procedures introduced by Council Decision 1999/468/EC on Comitology but have been re-formulated as shown in the modified proposal attached.
- Amendment 7 is accepted in principle as it provides further precision to the area of studies and other related actions. It has however been re-formulated to ensure it is integrated within the existing text.
- Amendment 10 is accepted entirely by the Commission as Parliament's amendment reflects the Commission's original proposal with regard to the budget i.e. € 68.4 million.

3.2. Amendments not accepted by the Commission

- Amendment 6 is not accepted because the SAVE proposal is not a legislative programme in its own right. Whilst the SAVE programme may help the development of legislation through studies etc., the Commission may introduce legislation in the field of energy efficiency independent of the SAVE programme.
- Amendments 8 and 9 are not accepted because they introduce additional detail to the areas of targeted pilot actions and monitoring which are considered to be unnecessary and could potentially restrict the scope of the provisions in question.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**adopting a Multiannual Programme for the Promotion of Energy Efficiency (SAVE)
(1998-2002)**

**AMENDING THE PROPOSAL OF THE COMMISSION
pursuant to Article 250 (2) of the EC Treaty**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 175(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty³,

Whereas:

- (1) Article 174 of the Treaty provides that one of the objectives of Community action is to ensure a prudent and rational utilisation of natural resources.
- (2) At its meeting on 29 October 1990 the Council set an objective of stabilising total CO₂ emissions by the year 2000 at the 1990 level in the Community as a whole.
- (3) The Kyoto Protocol to the United Nations Framework Convention on Climate Change contains further commitments for the Community and its Member States to reduce greenhouse gas emissions.
- (4) To achieve significant reductions in Community CO₂ emissions further efforts will have to be made, particularly since CO₂ emissions due to energy consumption are expected to increase by about 3% between 1995 and 2000, assuming normal economic growth; therefore, additional measures are indispensable.
- (5) Council Decision 93/389/EEC⁴ established a monitoring mechanism of Community CO₂ and other greenhouse gas emissions.

1 OJ C 214, 10.7.1998, p. 44.

2 OJ C 315, 13.10.1998, p. 1.

3 Opinion of the European Parliament of 11 March 1999 (OJ C 175, 21.6.1999, p. 269); Council Common Position of 28 June 1999 (OJ C 232, 11.8.1999, p. 20) and Decision of the European Parliament of (not yet published in the Official Journal).

4 OJ L 167, 9.7.1993, p. 31.

- (6) The Commission, in its communication of 8 February 1990 on energy and the environment, highlighted energy efficiency as the cornerstone of future efforts to reduce the negative impact of energy on the environment; the communication of the Commission of 29 April 1998 on "Energy Efficiency in the European Community – Towards a Strategy for the Rational use of Energy" underlined the economic potential for energy efficiency with the aim of refocusing attention on promoting energy efficiency.
- (7) Improvement in the management of energy, above all enabling the extensive potential for reduction of energy intensity to be exploited, is urgently needed in order to contribute to the protection of the environment, to a better security of energy supply and to sustainable development.
- (8) The Commission has communicated to the European Parliament and the Council, by means of the Green Paper of 11 January 1995 and the White Paper of 13 December 1995, its views on the future of energy policy in the Community, and the role of energy-saving and energy efficiency measures.
- (9) Article 158 of the Treaty provides that the Community is to develop and pursue its actions leading to the strengthening of its economic and social cohesion, and that it should, in particular, reduce disparities between the levels of development of the various regions and the backwardness of the least-favoured regions; those actions cover inter alia the energy sector.
- (10) By Decision 91/565/EEC⁵ and Decision 96/737/EC⁶, the Council adopted a Community energy efficiency programme (SAVE) aimed at strengthening energy efficiency infrastructures within the Community.
- (11) The SAVE programme is an important and necessary instrument for promoting increased energy efficiency.
- (12) Provision should therefore be made within the multiannual framework programme for actions in the energy sector (1998-2002) adopted by Council Decision 1999/21/EC, Euratom⁷ for a specific programme for the encouragement of rational and efficient use of energy resources; this specific programme would replace the corresponding instrument currently in force.
- (13) The Community recognised the SAVE programme as an important element of the Community's CO₂ reduction strategy; the communication of the Commission of 8 May 1991 on the European Community's energy programming activities at regional level, the conclusions of the Council on this communication, and the Resolution of the European Parliament of 16 July 1993 stated that those activities should be pursued, amplified and utilised as a support for the energy strategy of the Community; this initiative for regional actions should now be totally incorporated.
- (14) In implementing Decision No 182/1999/EC of the European Parliament and of the Council of 22 December 1998 concerning the fifth framework programme of the European Community for research, technological development and demonstration

5 OJ L 307, 8.11.1991, p.34.

6 OJ L 335, 24.12.1996, p. 50.

7 OJ L 7, 13.1.1999, p. 16.

activities (1998 to 2002)⁸, the Council Decision of 25 January 1999 adopting a specific programme for research, technological development and demonstration on energy, environment and sustainable development (1998 to 2002)⁹ devotes particular attention to efficient and renewable energy technologies; the SAVE programme represents a policy instrument which complements that programme.

- (15) The SAVE programme aims at improving energy intensity of final consumption by a further one percentage point per annum over that which would have been otherwise attained.
- (16) At its meeting on 15 and 16 December 1994 the Council stated that the target of stabilising CO₂ emissions can only be achieved by a co-ordinated package of measures to improve energy efficiency and the rational use of energy which are based on supply and demand at all levels of energy production, conversion, transport and consumption and to exploit renewable energies, and that local energy management programmes are amongst these measures.
- (17) In its opinion on the Commission's Green Paper on energy policy¹⁰, the European Parliament called for the formulation of objectives and a common programme for energy efficiency and savings compatible with the objectives concerning the emissions of greenhouse gases as agreed in Rio de Janeiro (1992), Berlin (1995) and subsequently in Kyoto (1997), called for a SAVE II programme endowed with considerably more resources than the SAVE I programme and requested that the Commission clarify the role which it intends to play in energy savings and efficiency by creating practical projects.
- (18) Improved energy efficiency will have a positive impact on both the environment and the security of energy supplies which are global in nature; a high level of international co-operation is needed to produce the most positive results.
- (19) Between 180 and 200 million tonnes of CO₂ emissions could be avoided by the year 2000 by an improvement of 5% in the energy intensity of final demand additional to the conventional expectations; such figures could be increased by a more efficient and rational use of energy sources.
- (20) It is politically and economically desirable to open the programme to the associated central and eastern European countries, in accordance with the conclusions of the Copenhagen European Council of 21-22 June 1993 and confirmed by subsequent European Councils, and as outlined in the Commission communication on that subject in May 1994, and also to Cyprus.
- (21) In order to ensure that Community aid is used efficiently and duplication of work avoided, the Commission will ensure that projects are subject to thorough prior appraisal; it will systematically monitor and evaluate the progress and results of supported projects **and of complementary activities in the field of renewable energy sources.**

8 OJ L 26, 1.2.1999, p. 1.

9 OJ L 64, 12.3.1999, p. 58.

10 OJ C 287, 30.10.1995, p. 34.

(22) The measures necessary for the implementation of the present act being management measures in the meaning of article 2 of Council Decision 1999/468/EC of 28th June 1999, laying down the procedures for the exercise of implementing powers conferred on the Commission¹¹, these measures should be adopted according to the management procedure foreseen in article 4 of the said Decision.

(23) ~~(22)~~ This Decision establishes a financial framework which should be the principal point of reference, within the meaning of point 1 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995¹² for the budgetary authority for the purposes of the annual budgetary procedure; account should be taken of the fact that a new financial perspective will be negotiated during the course of the programme.

(24) ~~(23)~~ This Decision replaces Council Decision 96/737/EC which should accordingly be repealed.

HAVE ADOPTED THIS DECISION:

Article 1

1. Within the multiannual framework programme for actions in the energy sector, a specific programme for the encouragement of rational and efficient use of energy resources (hereinafter referred to as "the SAVE programme") shall be implemented by the Community for the period 1998-2002.

In addition to the priority objectives listed in Article 1(2) of Council Decision 1999/21/EC, Euratom the SAVE programme shall:

- (a) stimulate energy efficiency measures in all sectors;
- (b) encourage investments in energy conservation by private and public consumers and by industry;
- (c) create the conditions for improving the energy intensity of final consumption.

2. Community financing shall be provided under the SAVE programme for actions and measures which fall within the objectives of this Decision.

Article 2

The following categories of energy efficiency actions and measures shall be financed under the SAVE programme:

- (a) studies and other related actions designed to **introduce**, implement, and supplement **and assess the effects of** Community measures (such as voluntary agreements, **including associated objectives and their monitoring**, mandates to standardisation bodies, co-operative procurements and legislation) for

11 OJ L 184, 17.7.1999, p.23.

12 OJ C 102, 4.4.1996, p. 4.

improving energy efficiency, studies concerning the effects of energy pricing on energy efficiency, and studies with a view to establishing energy efficiency as a criterion within Community programmes, and studies involving co-ordination at the international level;

- (b) targeted sectoral pilot actions aimed at accelerating investment in energy efficiency and/or improving energy use patterns, to be carried out by public and private enterprises or organisations and by existing Community-wide networks or temporary groupings of organisations and/or enterprises formed to carry out the projects;
- (c) measures proposed by the Commission for fostering exchanges of experience aimed at improving co-ordination between international, Community, national, regional and local activities, using appropriate means for information dissemination;
- (d) measures such as those described in (c) but proposed by entities other than the Commission;
- (e) monitoring of energy efficiency progress in the Community and in individual Member States and ongoing evaluation and monitoring of the actions and measures undertaken under the SAVE programme;
- (f) specific actions to improve energy management at regional and urban level with a view to achieving greater cohesion between Member States and regions in the field of energy efficiency.

Article 3

1. All the costs relating to the actions and measures referred to in Article 2 (a), (c) and (e) shall be borne by the general budget of the European Communities.
2. The level of funding for the actions and measures referred to in Article 2 (b), (d) and (f) shall be set at a maximum of 50% of their total cost.
3. The balance of the funding of the actions and measures referred to in Article 2 (b), (d) and (f) may be made up from either public or private sources or from a combination of the two.

Article 4

1. The financial framework for the implementation of the SAVE programme shall be EUR 64 ~~68.4~~ million. Of this amount, EUR 25.6 million shall be for the period 1998 to 1999.

The financial framework for the period 2000 to 2002 shall be EUR 38.4 ~~42.8~~ million. This amount shall be reviewed if it is not consistent with the financial perspective for that period.

2. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Article 5

1. The Commission shall be responsible for the financial execution and implementation of the SAVE programme.

The Commission shall also ensure that actions under the SAVE programme are subject to prior appraisal, monitoring and subsequent evaluation, which, on completion of the project, shall include assessment of impact, implementation and whether their original objectives have been achieved.

2. The selected beneficiaries shall submit reports to the Commission on a six-monthly basis and on completion.
3. The conditions and guidelines to be applied for the support of all actions and measures referred to in Article 2 shall be defined each year taking into account:
 - the cost effectiveness criteria, the savings potential and environmental impact, in particular the reduction of CO₂ emissions,
 - the list of priorities referred to in Article 7,
 - the cohesion of Member States in the field of energy efficiency.

The committee referred to in Article 6 shall assist the Commission in defining these conditions and guidelines.

Article 6

1. The Commission shall be assisted, for the purposes of implementing the SAVE programme, by the committee referred to in Article 4 of Council Decision 1999/21/EC, Euratom.
2. **In the case where reference is made to the present paragraph, the management procedure foreseen in article 4 of Decision 1999/468/EC applies, [without prejudice to the provisions of article 8 of the same Decision].**
3. **The period foreseen in article 4, paragraph 3 of Decision 1999/468/EC is fixed at no more than three months.**

Article 7

The Commission shall formulate, on an annual basis, a list of priorities for funding under the SAVE programme. This list shall take into account complementarity between the SAVE programme and the national programmes on the basis of annual information in a summary form supplied by each Member State. Priority shall be given to those areas where such complementarity is greatest.

The committee referred to in Article 6 shall assist the Commission in defining the list of priorities.

Article 8

Examination and internal and external assessment of the implementation of the SAVE programme shall be carried out in accordance with the provisions in Article 5 of Council Decision 1999/21/EC, Euratom.

Article 9

The SAVE programme shall be open to the participation by associated central and eastern European countries in accordance with the conditions, including financial provisions, laid down in the additional protocols to the Association Agreements, or in the Association Agreements themselves, relating to participation in Community programmes.

The SAVE programme shall also be open to participation by Cyprus on the basis of additional appropriations, under the same rules as those applied to the EFTA/EEA countries, in accordance with procedures to be agreed with that country.

Article 10

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Communities*.

Article 11

Council Decision 96/737/EC shall be repealed.

Article 12

This Decision is addressed to the Member States.

Done at Brussels, [...]

For the European Parliament
The President
[...]

For the Council
The
[...]

President

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DOCUMENTS

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