



COMMISSION OF THE EUROPEAN COMMUNITIES

CORRIGENDUM : Ce document  
annule et remplace le COM (1999)560 final  
du 04.11.1999 (concerne toutes les langues)

Brussels, 22.11.1999  
COM(1999)560 final/2

1997/0370 (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 renewable energy sources  
the Community (ALTENER) (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 seven 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)212)	21.05.99
Common position adopted	28.06.99
Commission's opinion on the common position (SEC(1999)1096)	16.07.99

In the latter document (SEC(1999)1096), the Commission concluded that the common position was consistent with and supportive of the Commission's amended proposal (COM(1999)212) 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 ALTENER II programme (which expires on 31.12.1999) as Annex IV 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 3 years to 2002. ALTENER forms part of the Community Strategy and Action Plan for RES, to double the share of RES to 12% by 2010, to reduce energy dependency and to limit emissions of CO<sub>2</sub> and is now based on Article 175(1) of the Treaty.

### **3. COMMISSION'S OPINION ON PARLIAMENT'S AMENDMENTS**

The Commission accepts wholly, partly or in principle seven 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 1 is accepted in part. The final section of the recital is not accepted because reference to a Charter on Renewable Energies (Eurenew) is regarded as premature. The rest of the amendment is incorporated in the modified proposal in two parts; as a new recital (10) and within an existing recital (now 12).
- Amendments 2 and 8 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 3 is accepted in its entirety as it refers to the Community strategy and action plan on renewables as well as the associated Campaign for Take-off.
- Amendment 4 is accepted in principle but is incorporated in the first (1a) of the two objectives of the ALTENER programme in Article 1. New market instruments and mechanisms are added to the conditions necessary for implementing the Community strategy and action plan on renewables in Article 1 (1a).
- Amendment 5 is accepted entirely by the Commission as Parliament's amendment reflects the Commission's original proposal with regard to the budget i.e. € 81.1 million.
- Amendment 6 is accepted in part and in principle. The reference to the European Renewable Energies Export Council is not accepted but the importance of export of technology and Community co-operation programmes is accepted and incorporated in recital (26) of the modified proposal attached.

### **3.2. Amendments not accepted by the Commission**

- Amendment 10 is not accepted by the Commission as it refers to the inclusion of associated Mediterranean countries in the ALTENER programme. The ALTENER programme is in fact only open to participation by those non-EU countries referred to in Article 7 of the common position in accordance with the relevant regulations in force in each case.

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**adopting a multiannual programme for the promotion of renewable energy sources in the Community (ALTENER) (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 Committee<sup>1</sup>,

Having regard to the Opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the procedure laid down in Article 251 of the Treaty<sup>3</sup>,

WHEREAS:

- (1) Article 174 of the Treaty provides that one of the objectives of Community action is to ensure prudent and rational utilisation of natural resources.
- (2) Article 152 of the Treaty provides that health protection requirements are to form a constituent part of the Community's other policies; the ALTENER programme set out in this Decision contributes to health protection.
- (3) At its meeting on 29 October 1990 the Council set an objective of stabilising total CO<sub>2</sub> emissions by the year 2000 at the 1990 level in the Community as a whole.
- (4) 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, including the undertaking given by the Community to the

---

<sup>1</sup> OJ C 214, 10.7.1998, p. 44.

<sup>2</sup> OJ C 315, 13.10.1998, p. 1.

<sup>3</sup> Opinion of the European Parliament of 11 March 1999 (OJ C 175, 21.6.1999, p. 262), Council Common Position of 28 June 1999 (OJ C 243, 27.8.1999, p.47) and Decision of the European Parliament of (not yet published in the Official Journal).

effect that an 8% reduction in greenhouse gas emissions for the years 2008 to 2012 compared with 1990 levels would be achieved.

- (5) A mechanism for monitoring CO<sub>2</sub> and other greenhouse gas emissions in the Community was established by Council Decision 93/389/EEC<sup>4</sup>.
- (6) CO<sub>2</sub> emissions from energy consumption in the Community are likely to increase by about 3% between 1995 and 2000, assuming normal economic growth; in the light of the above-mentioned Kyoto undertaking, it is essential to adopt additional measures; measures which would genuinely help to achieve the above objective include a much more intensive use of renewable energy sources as well as energy efficiency.
- (7) At its meeting on 25 and 26 June 1996 the Council noted that in the framework of the negotiations on a protocol concerning the Berlin Mandate, the Second Assessment Report of the Intergovernmental Panel on Climate Change (SAR IPCC) had concluded that the balance of evidence suggested that there was a discernible human influence on global climate change and had stressed the need for urgent action at the widest possible level, noted that significant "no-regrets" opportunities were available and requested the Commission to identify the measures that had to be taken at Community level.
- (8) By the Green Paper of 11 January 1995 and the White Paper of 13 December 1995 the Commission communicated to the European Parliament and the Council its views on the future of energy policy in the Community and on the role that renewable energy sources should play.
- (9) In its Resolution of 4 July 1996 on a Community action plan for renewable energy sources<sup>5</sup> the European Parliament called upon the Commission to implement a Community action plan to promote renewable energy sources.
- (10) In its resolution of 14 November 1996<sup>6</sup> on the Commission White Paper on an energy policy for the European Union, the European Parliament called on the Commission to develop a financial programme to stimulate renewable sources of energy.
- (11) By the Green Paper of 20 November 1996 and the White Paper of 26 November 1997 entitled "Energy for the Future: Renewable Sources of Energy", the Commission started a process for the development and further implementation of a Community Strategy and an Action Plan on Renewable Energy Sources; these are set out, together with a "Campaign for take-off", in its White Paper.
- (12) In its Resolution of 15 May 1997<sup>7</sup> on the Green Paper entitled "Energy for the Future: Renewable Sources of Energy", the European Parliament urged the Commission to adopt as soon as possible a strengthened ALTENER II programme; **in this same Resolution the European Parliament also called for attention to be paid to the possibility of coordinating policies and initiatives in the sphere of renewable energy and energy efficiency in order to develop potential existing synergies and avoid duplication of efforts wherever possible;** in its Resolution of 18 June 1998<sup>8</sup> on the Commission communication "Energy for the Future: Renewable Sources of

<sup>4</sup> OJ L 167, 9.7.1993, p. 31.

<sup>5</sup> OJ C 211, 22.7.1996, p. 27.

<sup>6</sup> **OJ C 362, 2.12.1996, p. 279.**

<sup>7</sup> OJ C 167, 2.6.1997, p. 160.

<sup>8</sup> OJ C 210, 6.7.1998, p. 215.

Energy - White Paper for a Community Strategy and Action Plan", it called for a clear increase in funding for the ALTENER programme in the Energy Framework Programme.

- (13) Article 8 of Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity<sup>9</sup> offers Member States the possibility of furthering the penetration of the market in electricity produced from renewable sources of energy by giving them priority.
- (14) 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, in particular, it is to aim at reducing 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.
- (15) In Decision 93/500/EEC<sup>10</sup> and Decision 98/352/EC<sup>11</sup>, the Council adopted a Community programme entitled ALTENER for the promotion of renewable energy sources aimed at reducing CO<sub>2</sub> emissions by increasing the market share of renewable energy sources and its contribution to overall primary energy production in the Community.
- (16) The Community has recognised that the ALTENER programme represents an important element of the Community strategy for reducing CO<sub>2</sub> emissions.
- (17) 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, Euratom<sup>12</sup> for a specific programme for the promotion of renewable energy sources; this specific programme would replace the corresponding instrument currently in force.
- (18) 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 activities (1998 to 2002)<sup>13</sup>, 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)<sup>14</sup> devotes particular attention to efficient and renewable energy technologies; the ALTENER programme is an instrument which complements that programme.
- (19) The ALTENER programme does not alter national projects or systems for the promotion of renewable resources; its objective is to add a Community aspect that represents added value.

---

<sup>9</sup> OJ L 27, 30.1.1997, p. 20.

<sup>10</sup> OJ L 235, 18.9.1993, p. 41.

<sup>11</sup> OJ L 159, 3.6.1998, p. 53.

<sup>12</sup> OJ L 7, 13.1.1999, p. 16.

<sup>13</sup> OJ L 26, 1.2.1999, p. 1.

<sup>14</sup> OJ L 64, 12.3.1999, p. 58.

- (20) Renewable energy sources are an important energy source for the European Union with considerable commercial potential; their development should therefore be supported through a specific strategy and targeted actions to make them both viable and competitive and thus create a favourable environment for investment.
- (21) The increased use of renewable sources of energy will have a positive effect both on the environment and on the security of energy supplies; the free and large-scale development of renewable energy sources will make it possible fully to exploit their economic and employment potential; a high degree of international cooperation is desirable to achieve the best results.
- (22) A strengthened ALTENER programme represents an essential instrument for developing the potential of renewable energy sources; renewable energy sources should account for a reasonable share of the European internal energy market.
- (23) In order to ensure proper implementation of the Community Strategy and Action Plan up to 2010 for renewable energy sources, the Commission needs appropriate mechanisms for monitoring and assessing the various initiatives.
- (24) The aim of the targeted actions referred to in Article 2(d) of this Decision is to facilitate and accelerate investment in new operational capacity for the production of energy from renewable sources by providing financial support, in particular for small and medium sized enterprises (SMEs), in order to reduce the peripheral and service costs of renewable energy projects, and thus overcome the non-technical obstacles present; those actions promote, inter alia, access to specialised advice, the analysis of market prospects, the choice of location of projects, application for construction and operation permits, initiatives taken by SMEs on investment in renewable sources of energy, the establishment of financing plans, the preparation of calls for tenders, the training of operators and plant commissioning.
- (25) Those targeted actions concern the implementation of projects carried out in the area of biomass, including energy crops, firewood, residues from forestry and agriculture, municipal waste which cannot be recycled, liquid biofuels and biogas, and in the areas of thermal and photovoltaic solar systems, passive and active solar systems in buildings, small scale (less than 10 MW) hydroelectric projects, wave energy, wind power and geothermal energy.
- (26) The development of renewable energy sources can help create a competitive energy system for the whole of Europe and develop a European renewable energy sources industry, with vast opportunities for the export of **technology and** know-how and for investment in third countries involving Community participation **in the framework of cooperation programmes.**
- (27) It is politically and economically desirable to open the ALTENER programme to the associated central and eastern European countries, in accordance with the conclusions of the Copenhagen European Council of 21–22 June 1993 as confirmed by subsequent European Councils and as outlined in the Commission communication on that subject in May 1994, and also to Cyprus.



- (28) 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 28<sup>th</sup> June 1999, laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>15</sup>, these measures should be adopted according to the management procedure foreseen in article 4 of the said Decision.
- (29) In order to ensure that Community aid is used efficiently and duplication of work is 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.
- (30) 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 1995<sup>16</sup> 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 ALTENER programme.
- (31) This Decision replaces Council Decision 98/352/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 promotion of renewable energy sources and support for the implementation of a Community strategy and action plan for renewable energy sources to the year 2010 (hereinafter referred to as "the ALTENER 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 objectives of the ALTENER programme shall be to:

- a) help create the necessary conditions for implementing the Community Strategy and action plan and boosting the Campaign for Take-Off as called for in the above mentioned Commission White Paper of 26 November 1997 entitled "Energy for the future : renewable sources of energy" the implementation of a Community action plan for renewable energy sources, and in particular the legal, socio-economic and administrative conditions, including new market instruments and mechanisms;
- (b) encourage private and public investment in the production and use of energy from renewable sources.

---

<sup>15</sup> OJ L 184, 17.7.1999, p. 23.

<sup>16</sup> OJ C 102, 4.4.1996, p. 4.

These two specific objectives shall contribute to achieving the following overall Community objectives – complementing those of the Member States – and priorities: limitation of CO<sub>2</sub> emissions, increasing the share of renewable energy sources in order to reach the indicative objective of 12% in the gross internal energy consumption in the Community in 2010, reduction in energy import dependence, security of energy supply, promotion of employment, economic development, economic and social cohesion and local and regional development, including the strengthening of the economic potential of remote and peripheral regions.

2. Community financial support shall be granted under the ALTENER programme for actions and measures meeting the objectives set out in paragraph 1(a) and (b).
3. The financial framework for the implementation of the ALTENER programme shall be EUR ~~74~~ 81.1 million. Of this amount, EUR 29.6 million shall be for the period 1998 to 1999.

The financial framework for the period 2000 to 2002 shall be EUR ~~44.4~~ 51.5 million. This amount shall be reviewed if it is not consistent with the financial perspective for that period.

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

#### *Article 2*

The following actions and measures relating to renewable energy sources shall be financed under the ALTENER programme:

- (a) studies and other actions, intended to implement and complement other measures by the Community and Member States taken to develop the potential of renewable energy sources. These involve in particular the development of sectoral and market strategies, the development of norms and certification, facilitating grouped procurement, analyses, based on projects, comparing the environmental impact and the long-term cost/benefit trends resulting from the use of traditional forms of energy and the use of renewable energy sources, the analysis of the legal, socio-economic and administrative conditions, including analysis of the possible use of economic measures and/or tax incentives which are more favourable to the market penetration of renewable energies, the preparation of appropriate legislation to promote an environment favourable to investment and better methods which make it possible to evaluate the costs and benefits that are not reflected in the market price;
- (b) pilot actions of interest to the Community aimed at creating or extending structures and instruments for the development of renewable energy sources in:
  - local and regional planning,
  - the tools for planning, design and evaluation,
  - new financial products and market instruments;

- (c) measures intended to develop information, education and training structures; measures to encourage the exchange of experience and know-how aimed at improving coordination between international, Community, national, regional and local activities; establishment of a centralised system for collecting, prioritising and circulating information and know-how on renewable energy sources;
- (d) targeted actions facilitating the market penetration of renewable energy sources and relevant know-how, in order to facilitate the transition from demonstration to marketing, and encouraging investment, by advising on the preparation and presentation of projects and their implementation;
- (e) monitoring and evaluation actions intended to:
  - monitor the implementation of the Community strategy and action plan for the development of renewable energy sources,
  - support initiatives taken in implementing the Action Plan, particularly with a view to promoting better coordination and greater synergy between actions, including all Community funded activities and those funded by other bodies such as the European Investment Bank,
  - monitor the progress achieved by the Community and comment on that achieved by the Member States with regard to the development of renewable energy sources,
  - evaluate the impact and cost effectiveness of actions and measures undertaken under the ALTENER programme. This evaluation shall also take into account the environmental and social aspects, including the effects on employment.

### *Article 3*

1. All costs relating to the actions and measures referred to in Article 2(a), (c) and (e) shall be borne by the Community. Where a body other than the Commission proposes a measure covered by Article 2(c), the Community's financial contribution shall not exceed 50% of the total cost of the measure; the balance may be made up from public or private sources or a combination of the two.
2. The level of funding under the ALTENER programme for the actions and measures referred to in Article 2(b) shall not exceed 50% of their total cost; the balance may be made up from public or private sources or a combination of the two.
3. The level of funding under the ALTENER programme for the actions and measures referred to in Article 2(d) shall be established annually for each of the targeted actions in accordance with Article 4(2).

#### Article 4

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

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

The Commission shall ensure that the selected beneficiaries submit reports to the Commission on at least a six-monthly basis or, in the case of projects lasting less than one year, at the halfway point and in all cases on completion.

The Commission shall keep the committee referred to in Article 5 informed of the development of projects.

2. The conditions and guidelines to be applied for the support of the actions and measures referred to in Article 2 shall be defined each year taking into account:
  - (a) the priorities set out by the Community and the Member States in their programmes for the promotion of renewable energy sources;
  - (b) criteria relating to the cost effectiveness and development potential of renewable energy sources and their impact on employment and the environment, in particular the reduction of CO<sub>2</sub> emissions;
  - (c) for the actions referred to in Article 2(d), the relative cost of the assistance, the long-term commercial viability, the new production capacity expected to arise and the extent of transregional and/or transnational benefits;
  - (d) the principles established in Article 87 of the Treaty and the relevant Community guidelines on State aid for environmental protection.

The committee provided for in Article 5 shall assist the Commission in defining these conditions and guidelines.

#### Article 5

1. The Commission shall be assisted, for the purposes of implementing the ALTENER 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 6*

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

*Article 7*

The ALTENER programme shall be open to 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 ALTENER 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 8*

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

*Article 9*

Council Decision 98/352/EC shall be repealed.

*Article 10*

This Decision is addressed to the Member States.

Done at Brussels, [...]

*For the European Parliament*  
*The President*  
[...]

*For the Council*  
*The President*  
[...]

COM(1999) 560 final /2

# DOCUMENTS

EN

12 15 14 07

---

Catalogue number : CB-CO-99-612-EN-C

---

Office for Official Publications of the European Communities

L-2985 Luxembourg