

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 31 final

Brussels, 19th January 1983

PROPOSAL FOR A COUNCIL REGULATION (EEC)

establishing specific measures of Community interest
relating to energy strategy

(presented by the Commission to the Council)

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COM 31

Explanatory Memorandum

Energy strategy remains an important priority for the Community. The oil crisis of 1973/4 and the oil price crisis of 1979/80 underlined the penalties of the Community's reliance on imported Middle East oil. The Commission's October 1981 paper on The Development of an Energy strategy for the Community (COM(81)540 Final) was welcomed by both the European Parliament and the Council. The analysis in that paper of the Community's energy situation demonstrated that the Community must increase its use of both coal and nuclear energy in order to displace imported oil. The paper also showed that an effective energy policy must be based on realistic energy pricing, on innovation in the fields of new and renewable energy technologies, and on satisfactory levels of investment in the rational use of energy extending to both energy conservation and switching from oil to other fuels.

Since 1979/80 the Community's energy situation has improved. Both energy and oil consumption have declined, and the level of oil imports is lower. These favourable trends have however largely been the result of economic recession. Structural change in the Community's energy economy is still insufficient. For instance, there has still been no major increase in the consumption of coal, despite its apparent price advantage over oil. In recent months, world oil prices have declined. This heightens the risk that the Community's reliance on imported oil, and therefore vulnerability to further oil price and supply shocks, will once again increase when economic growth resumes. The combination of economic recession, reduced cash flow in industry, and weakening oil prices is tending to depress the level of investments in rational use of energy projects. But these investments are essential if the Community is to achieve a basis for economic growth and prosperity which is not vulnerable to events in the international oil market.

At an informal meeting in Copenhagen on 16 December 1982, the Energy Ministers of the Member States agreed that it was of joint interest to see progress towards a more balanced and comprehensive Community strategy for solid fuels.

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The Commission is now preparing specific proposals to meet that need. The discussion in Copenhagen in effect reaffirmed the importance of coal and other solid fuels in the Community's energy strategy.

Energy investment is therefore a central problem which merits the support of the Community's financial instruments. In December 1982, the European Council agreed that energy policy should continue to be a priority objective, and charged the Council to accelerate the adoption of new energy measures.

The proposed regulation follows from the conclusions reached by the Ministers of Foreign Affairs on 26 October, 1982 and, hence, concerns energy projects and measures in the Federal Republic of Germany and the United Kingdom. The achievement of such projects and measures of Community interest in two Community countries, which are also major energy producers and consumers, should allow progress to be made towards a Community energy strategy. The following energy fields are concerned: energy production, energy conservation and the more rational use of energy, energy research and technology and supply security measures.

Proposal for a
 COUNCIL REGULATION (ECC) No /83
 of
 establishing specific measures of Community interest
 relating to energy strategy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
 and in particular Article 235 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Court of Auditors (3),

Whereas the Ministers for Foreign Affairs reached certain conclusions on
 26 October 1982 ;

Whereas the Community has established an energy strategy designed notably
 to reduce dependence on imports of energy products, particularly oil ;

Whereas it is necessary to establish specific measures of Community interest
 relating to energy strategy and involving financial contributions from the
 Community to measures and projects in the fields of energy research and
 technology, energy production, energy conservation, energy supply
 security measures and the more rational use of energy in the Federal
 Republic of Germany and in the United Kingdom ;

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Whereas the global amount of the Community contributions necessary for the said specific measures is estimated at 610 million ECU, of which 210 million ECU is the amount estimated for the measures and projects in the Federal Republic of Germany and the balance for measures and projects executed in the United Kingdom; whereas these amounts will be adjusted to take account of the above-mentioned conclusions of the Ministers of Foreign Affairs of 26 October, 1982.

Whereas the measures and projects must be specified and supported with the information required in order to retain only those which have a Community interest in the field to which they relate.

Whereas the Treaty does not provide specific powers for action in this regard

HAS ADOPTED THIS REGULATION:

Article 1

The specific measures of Community interest relating to the energy strategy, to which the Community will make contributions under this Regulation, are hereby established in the Federal Republic of Germany and in the United Kingdom.

Article 2

1. The specific measures of Community interest shall be implemented by means of financial assistance for the implementation of projects and measures which fall, in compliance with the energy policy defined by the Community, within the framework of energy strategy and relate to one or more of the following fields:
 - energy research and technology,
 - energy production,
 - conservation and the more rational use of energy,
 - energy supply security measures.
2. The projects and measures shall be submitted to the Commission together with all the information necessary in order to assess:
 - their conformity with the objectives of Community energy policy,
 - their conformity with the eligibility criteria laid down in Article 3,

- their Community interest taking account of energy strategy and the field under consideration,
 - the possibilities of verifying the execution of each measure and project and of auditing the expenditures.
3. The Commission may request any additional information necessary for the examination of the said projects and measures.

Article 3

1. The projects or measures shall be eligible for a financial contribution by the Community provided they are financed wholly or in part by public authorities and fulfil the following criteria :
- a) they must serve to bring about the objectives of the Community's energy policy ;
 - b) they must demonstrate a Community interest relating to energy strategy ;
 - c) they must not be incompatible with other Community policies ;
 - d) they must not give rise to distortions of competition.
2. Additionally, only those demonstration projects or energy research projects will be retained for which Member States make the necessary provisions with regard to ensuring the productive use, the commercialisation and dissemination of the results in an undiscriminating way throughout the Community.

Article 4

1. The Commission shall examine the measures and projects submitted to it, by each of the Member States concerned, under this Regulation and shall refer them for information to the Committee referred to in Article 7.
2. In accordance with the procedure laid down in Article 8, the Commission shall decide on :
- a) the projects and measures meriting Community assistance, in the light of the criteria laid down in Article 3 ;

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- b) the amount of the Community's financial contribution, within the limits of the appropriations available.
 3. The Community's financial contribution may not exceed, for each project or measure, 70 % of the annual public expenditure provided for its execution.
 4. The Commission decisions referred to in paragraph 2 shall be published in the Official Journal of the European Communities.

Article 5

1. The appropriations relating to the projects and measures referred to by this Regulation shall be entered in the budget of the European Communities.
2. As soon as a decision has been taken pursuant to Article 4(2), the Commission shall make a payment of 90% of the amount of the Community contribution provided for.
3. The payment of the 10% balance shall be effected immediately after exhaustion of the sum referred to in paragraph 2, as certified by the government of the Member State concerned, and at the latest before the end of the financial year following that of the commitments, provided that implementation of the project or measure proceeds as planned.

Article 6

1. The Commission shall ensure that each project or measure is implemented in accordance with this Regulation, with the provisions adopted for its application and with the Regulations adopted pursuant to Article 209 of the Treaty.

To this end, each of the Member States concerned shall supply the Commission with all information requested by it and shall take all steps with regard to Community-assisted projects and measures to facilitate such supervision as the Commission may consider appropriate, including on-the-spot checks made at its request with the approval of the Member States concerned by its competent authorities, in which Commission officials may participate.

Each Member State concerned shall make available to the Commission, for a period of three years after transfer of the balance referred to in Article 5(3), all supporting documents or certified copies thereof relating to expenditure.

2. Where a project or measure is not implemented in conformity with this Regulation or departs substantially from decisions taken for its application, the Commission may suspend payments still due. In this case, it may decide that sums already paid or still due are to be allocated, in accordance with the procedure laid down in Article 8, to other projects or measures submitted under this Regulation. If, in the opinion of the Commission, no other project or measure is available, it shall recover the payments made.

Article 7

1. A Management Committee (hereinafter called the Committee) is hereby established, composed of representatives of the Member States and chaired by a representative of the Commission.
2. Within the Committee, the votes of the Member States shall be weighted in accordance with Article 148(2) of the Treaty. The Chairman shall not vote.

Article 8

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit drafts of decisions to be taken. The Committee shall deliver its opinion on the drafts within a time limit which the Chairman may fix according to the urgency of the questions under consideration. An opinion shall be adopted by qualified majority in accordance with Article 148(2) of the Treaty.

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3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the opinion of the Committee, they shall be communicated to the Council as soon as possible and at the latest within one month. In that event, the Commission shall defer application of the decisions it has adopted for not more than two months from the date of such communication. The Council, acting by a qualified majority, may take a different decision within two months.

Article 9

Each of the Member States concerned shall, in agreement with the Commission, take the necessary steps to ensure that suitable publicity is given to the assistance granted under this Regulation.

Article 10

The Commission shall report to the Council and to the European Parliament on the application of this Regulation every six months from the entry into force of this Regulation.

Article 11

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President
