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## NEW IMPETUS FOR EUROPEAN COMMUNITY'S ENERGY POLICY

Continued uncertainty on the world's oil market in the wake of the Iranian political crisis and new higher oil prices has provided fresh impetus for the European Community's energy policy.

At a meeting of energy ministers of the Nine EC member states in Brussels on March 28, the Community approved a series of new measures designed to restrict oil consumption, to improve consultations with oil producing countries and to prepare fully for any future energy crises.

The most pressing problem confronting the Community is to reduce oil consumption this year by five per cent. Such a goal was approved by heads of government of EC member states at a summit meeting in Paris on March 12 and 13. The goal is in line with that adopted internationally by the International Energy Agency, which groups the world's major energy consuming countries.

After EC energy commissioner Guido Brunner had warned ministers at the Brussels meeting about the urgency of the current oil situation, the ministers agreed to act on specific measures which the EC Commission had recommended.

### Agreements reached included:

-----allocating 55 million European Units of Account\* (EUAs) over four years to projects designed to demonstrate ways of saving energy. The Commission had recommended projects which would make better use of energy in private and public buildings, in transport and in farming; would encourage the recovery of heat in industry; would develop new industrial processes; would develop methods for combined production of heat and power, and methods for heating entire districts;

-----allocating 95 million EUAs for projects to help develop new sources of energy: geothermal, solar, and gasification and liquefaction of coal;

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\* An EUA was equal to \$1.35 on March 29, 1979

-----adopting a Commission proposal for more precise labeling of household electrical appliances. Customers are to get more information about the amount of electricity dish washers, ovens and the like use;

-----instructing the Commission and a group of experts to present further papers for Council discussion in June on the Commission's proposals to halt both the increase in oil-fired power stations and the decline in Community coal production. The proposals estimated that 220 million EUAs a year in aid would be needed for intra-Community coal trade, coking coal production and coal-fired power stations;

-----asking the Commission to make further studies on prices paid on smaller, short-term or "spot" sales of oil. These would be similar to the analysis the Commission had already made at the port of Rotterdam. Though these deliveries were only 5% of Community consumption, their prices ranged far above the agreed OPEC figure. Because of expected cut-backs in supplies this may well become an even greater threat to fighting inflation in the future;

-----scheduling discussion of the Commission's proposals on nuclear energy at the Council meeting in June. These cover waste disposal, spent fuel reprocessing and the next generation of fast-breeder reactors.

-----dropping a project for hydrocarbon exploration off the coast of Greenland when the Irish representative tied his agreement to Council acceptance of a similar, but more difficult, project off the Irish coast.

#### CONVERGENCE

The French Minister of Industry, Andre Giraud, in his role as President of the Council of Energy Ministers said at the end of the two-day Council meeting, that Community policy would now be more concerned with getting a convergence of differing national policies.

The Council instructed the Commission to keep a record of the policies and actions of the nine governments, as well as a close watch on market developments. This will give the Community a basis for setting common goals and for adopting recommendations and directives to bring those policies and actions more into line with one another. The aim is to make them more effective in reaching common objectives.

#### A HIGH-LEVEL ENERGY GROUP

The Council decided to set up a high-level energy group to examine the problems involved in initiating a dialogue with the oil producing countries. Council President Giraud had gone to Saudi Arabia earlier in the month to discuss the Saudi suggestion in February for producer-consumer consultations. In a press interview M. Giraud said: "We do not have any illusions on the tenor of consultations between Europe and the producers. They cannot immediately deal with pricing problems, which these countries settle in their own forum. But it should be possible to open consultations

on the problems of the balance of world supplies and ways to meet them."

The Council scheduled a special energy meeting for mid-May in order to hear a report from the high-level group. At the same time the Commission will report on the efforts being made by the nine Community governments to save energy and to meet the 5% reduction goal.

