

European Communities

EUROPEAN PARLIAMENT

Working Documents

1975-1976

4 November 1975

DOCUMENT 338/75

Report

drawn up on behalf of the Committee on Energy, Research and Technology

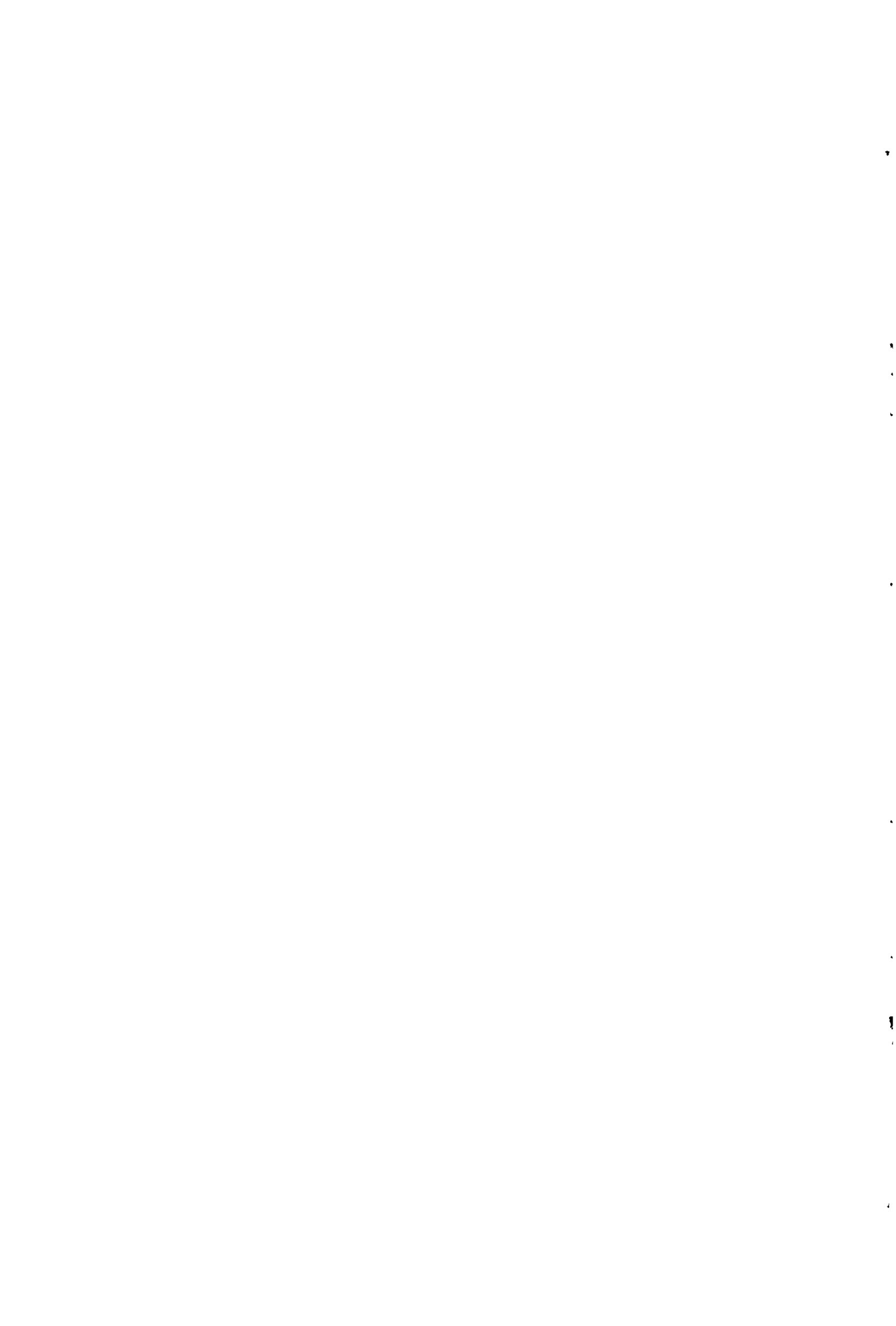
on the proposal from the Commission of the European Communities to the Council (Doc. 232/75) for a regulation amending Regulation (EEC) No. 1056/72 on notifying the Commission on investment projects of interest to the Community in the petroleum, natural gas and electricity sectors

Rapporteur: Mr J.-F. PINTAT

PE 42.007/fin.

1.2.2

English Edition



By letter of 14 August 1975, the President of the Council of the European Communities consulted the European Parliament, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1056/72 on notifying the Commission on investment projects of interest to the Community in the petroleum, natural gas and electricity sectors.

On 3 September 1975 the President of the European Parliament referred this proposal to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Public Health and the Environment for its opinion.

On 17 September 1975, the Committee on Energy, Research and Technology appointed Mr Pintat rapporteur. It considered this proposal at its meetings of 30 September and 22 October 1975.

At its meeting of 22 October 1975 the committee unanimously adopted the motion for a resolution and the explanatory statement.

Present: Mr Springorum, chairman; Mr Flämig, vice-chairman; Mr Pintat, rapporteur; Mr Ellis, Mr Klepsch (deputizing for Mr Burgbacher), Mr Willi Müller, Mr Noë, Mr Normanton, Mr Osborn, Mr Vandewiele and Mrs Walz.

The opinion of the Committee on Public Health and the Environment is attached.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	7
I. Introduction.....	7
II. Investment projects in the electricity, nuclear power stations and petroleum sectors	7
III. The importance of information and the need to amend Council Regulation No.1056/72.	9
IV. Conclusions	10
 Opinion of the Committee on Public Health and the Environment	 11

The Committee on Energy, Research and Technology hereby submits to the European Parliament the following motion for a resolution together with explanatory statement.

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1056/72 on notifying the Commission on investment projects of interest to the Community in the petroleum, natural gas and electricity sectors.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council ¹;
 - having been consulted by the Council (Doc. 232/75);
 - having regard to the report by the Committee on Energy, Research and Technology and the opinion of the Committee on Public Health and the Environment (Doc. 338/75);
 - having regard to its previous resolutions on the question of energy policy and, in particular;
 - its resolution of 10 June 1970, BIAGGI report (Doc. 51/70);
 - its resolution of 13 March 1975 on the objectives of a Community energy policy (Doc. 524/74) ²,
1. Welcomes the fact that the Council has recognized the importance for the Commission to have available the most accurate information on investment projects in the energy field;
 2. Welcomes the amendment proposed to Regulation (EEC) No 1056/72 with a view to rectifying certain omissions and enabling the Commission to carry out the tasks assigned to it by the Council;
 3. Considers essential the inclusion of investments for desulphurization plants and refineries which will in future play an ever more important part in the protection of the environment;

¹ OJ No C 219 of 25 September 1975, p.5

² OJ No C 76 of 7 April 1975

4. Emphasizes therefore the need for these projects to be carried out in parallel in all the industries, both national and European, to avoid any distortion of competition;
5. Stresses the great benefit that would be derived from systematic information on national and European-wide network limits;
6. Invites the Commission, however, to ensure that the communication of information on nuclear investment projects conforms to the Euratom Treaty;
7. Approves the Commission's proposal for a regulation submitted for its consideration;

EXPLANATORY STATEMENTI. Introduction

1. The Commission of the European Communities has submitted to the Council a proposal to increase and widen the scope of the information which must be made available to it on investment projects in the sectors of hydrocarbons, production of nuclear electricity and electric power transmission to enable it to draw up, on the basis of the procurement plans of individual undertakings, a Community programme.
2. In proposing that it should be notified of the principal investment projects in these fields the Commission expects, on the basis of the information thus received, to obtain an overall view of investment at Community level.
3. The provision of this information is at present covered by Regulation (EEC) No. 1056/72 of 18 May 1972¹ - see BIAGGI report (Doc. 51/70) drawn up on behalf of the Committee on Energy, Research and Atomic Problems.
4. The resolution adopted by the European Parliament recommends that the Commission and Council should draw up as soon as possible an overall Community Investment and procurement policy in the energy sector, and 'invites the Commission to proceed, with a view to facilitating the task of the undertakings, with the harmonization of the measures proposed with the provisions in force in the various Member States.'

II. Investment projects in the electricity, nuclear power stations and petroleum sectors

5. After three years of experience of the application of Regulation (EEC) No. 1056/72, both the Commission and our committee have reached the conclusion that the regulation lacks certain essential features.
6. The proposal now under consideration is specifically intended to make good and rectify these omissions.

The Commission has learnt from experience that the information available to it was insufficient as regards the application of Regulation (EEC) No. 1056/72. Without wishing in any way to alter its formal objectives, the Commission, nevertheless thought it advisable to amend and augment certain articles of this regulation relating to specific sectors: electricity, nuclear power and petroleum.

¹ OJ No L 120 of 25 May 1972, p.7

7. Under these provisions the Member States are required, in the nuclear energy sector, to inform the Commission of investment projects for power stations of 200 MW or more five years before work is due to begin, if necessary in provisional form subject to revision.

8. As far as investment in the nuclear sector is concerned, the Euratom Treaty originally laid down in Articles 41 and 42 that information on all types of nuclear projects should be communicated.

9. In fact, however, the information supplied under the terms of the Euratom Treaty is far more comprehensive than necessary. Moreover, most of it is only supplied at the last minute, when virtually all the contracts have been signed. This information is consequently useless and does not permit adequate forecasts to be made for investment projects.

10. Article 41 of the Euratom Treaty lays down that 'persons and undertakings engaged in the industrial activities listed in Annex II to this Treaty shall communicate to the Commission investment projects relating to new installations and also to replacements or conversions which fulfil the criteria as to type and size laid down by the Council on a proposal from the Commission'.

11. Article 42 continues: 'the projects referred to in Article 41 shall be communicated to the Commission and, for information purposes, to the Member State concerned not later than three months before the first contracts are concluded with the suppliers or, if the work is to be carried out by the undertaking with its own resources, three months before the work begins'.

12. The EEC Treaty contains no provisions of this sort. The Committee on Energy, Research and Technology would like to see the Commission receive complete information on investment projects in the hydrocarbons and electricity sectors, which are not covered by the ECSC and Euratom Treaties.

13. Moreover, the information at present available to the Commission under the terms of Regulation No. 1056/72 does not include projects concerning the generation of electricity by nuclear means which are thus not subject to the present procedure.

14. Moreover, the Commission should be in a position to establish whether each of the communicated investments conforms to the Community's nuclear energy policy, because Community industry should be able to meet the heavy electrical and nuclear equipment requirements which the objectives of the new energy strategy call for.

15. If, however, it is to make the necessary investments under the best conditions, the industry will require an accurate grasp of market prospects for a period of at least ten years and an assurance of a measure of continuity in the demand for equipment.

16. It is also necessary to recommend a grouping of European nuclear energy producers, the main results of which should be to increase the return on investment and improve production quality, to create a need for investment in research and development and to increase outlets on the export market through the firmer industrial base offered by a vast internal market.

17. This extension of the procedure would make available to the Commission full information on the projects and prospects of the heavy electrical equipment industry.

18. It would thus be very useful, not only from the Commission's point of view in drawing up proposals, but also for heavy industry itself, to be informed of investment plans at least five years before the projected starting date.

19. The proposal under consideration also provides for the communication, three years in advance, of projected desulphurization plants for oil refineries, which do not at present have to be communicated to the Commission but which will in future be of increasing importance in environmental protection.

20. Finally, as regards investment projects concerning high tension transmission lines, the accession of the three new Member States to the Community has accentuated the importance of this problem. Information regarding the main national and international links must of course be complete. Projected transmission lines of 100 kV or more should be communicated to the Commission three years before their probable completion.

III: The importance of information and the need to amend Council Regulation No. 1056/72

21. The communication submitted by the Commission to the Council is in the spirit of the two resolutions adopted by the Council on 17 December 1974 on the 'Objectives for 1985' and 13 February 1975 on measures to be taken to achieve these objectives.

22. The 'Objectives for 1985', which were considered in detail by our Committee and its rapporteur Mr PINTAT (Doc. 524/74), will only be achieved at the cost of considerable investment. The figures involved could range from 180 to 204 thousand million u.a. over the next decade, according to whether the Community tries to reduce its dependence on outside energy to 50% or 40%. What is therefore required is a policy encouraging investment in alternative forms of energy and protecting such investment in the light of its contribution to ensuring security of supply.

IV. Conclusions

23. Our committee wants to see a European energy policy: this proposal gives the Commission considerable scope for action.

Our committee accordingly expresses its agreement in principle with the proposed amendment of certain articles of Council Regulation No. 1056/72.

OPINION OF THE COMMITTEE ON PUBLIC HEALTH AND THE ENVIRONMENT

Letter from the chairman of the Committee to Mr Springorum, chairman of the Committee on Energy, Research and Technology.

Brussels, 21 October 1975

Dear Mr Chairman,

The Committee on Public Health and the Environment noted with interest the proposal from the Commission of the European Communities in question and considered it at its meetings of 1 and 21 October 1975.

The committee expresses its satisfaction at the change proposed in Article 4 in respect of Regulation No. 1056/72 requiring the Member States to notify the Commission of projects involving the building of desulphurisation plants for residues/gas-oil/feedstock. It can give a favourable opinion on this proposal since this measure will make effective control of desulphurisation plant construction possible.

Together with the measures proposed in the decision establishing a common procedure for the reciprocal exchange of information between the surveillance and monitoring networks based on data relating to atmospheric pollution by sulphur compounds and suspended particulates, this measure is a further step towards a policy that should result in the establishment of emission values and air quality standards as also control of their observance.

...

(sgd.) L. DELLA BRIOTTA

Present: Mr Della Briotta, chairman; Lord Bethell, Mr Didier, Mr Duval, Mr W. Müller, Mr Noè', Mrs Orth, Mr Rosati, Mr Springorum and Mr Vandewiele (deputizing for Mr Martens).

