



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

6911/80 (Presse 63)

637th meeting of the Council

- Energy -

Brussels, 13 May 1980

President: Mr Antonio BISAGLIA,
Minister for Industry of the
Italian Republic

13.V.80

Luxembourg:

Mr Josy BARTHEL

Minister for Energy

Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr David HOWELL

Secretary of State for Energy

Commission:

Mr Guido BRUNNER

Member

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COMMUNITY ENERGY OBJECTIVES FOR 1990 AND CONVERGENCE OF
THE POLICIES OF THE MEMBER STATES

The Council approved the substance of the following
Resolution:

"THE COUNCIL,

Having taken note of the communication from the Commission
on "Community Energy Objectives for 1990 and Convergence
of the Policies of the Member States",

Having taken note of the Opinion of the European Parliament,

Having regard to its Resolution of 17 September 1974,
17 December 1974 and 13 February 1975 ⁽¹⁾;

Having regard to the conclusions reached by the European
Council in July 1978, March 1979 and June 1979, fixing
the following objectives for 1985:

- to reduce the degree of Community dependence on imported
energy to 50%;
- to reduce to 0.8 the ratio between the rate of growth of
energy consumption and the rate of growth of gross domestic
product;
- to limit oil consumption;
- to limit net Community imports of oil to an annual level
not exceeding that attained in 1978 (472 million tonnes);

⁽¹⁾ OJ No C 153, 9.7.1975, pages 1, 2 and 6.

Whereas adequate and secure energy availability on a satisfactory economic basis is a prerequisite for the pursuit of the Community's economic and social objectives;

Whereas it is essential that the Community make more progress in the priority areas such as energy saving, the rational use of energy and the reduction of oil consumption and imports;

Whereas it is necessary

- for the Community to have a general picture of Member States' energy policies up to 1990;
- for the Community to be in a position to assess the convergence of national policies with Community objectives;
- 1. affirms that the Community should step up its efforts to save energy and reduce its oil consumption and imports;
- 2. requests the Member States to submit to the Commission each year their energy policy programmes up to 1990;
- 3. requests the Commission to assess these programmes, using appropriate indicators, if necessary, in order to determine their convergence with the Community's energy policy objectives.

The Commission will base its examination on the following guidelines for the Community as a whole:

- to reduce to 0.7 or less the average ratio for the whole Community of the rate of growth in gross primary-energy consumption to the rate of growth of the gross domestic product;
 - to reduce oil consumption in the Community to a level of approximately 40% of gross primary-energy consumption in 1990;
 - to cover 70 to 75% of primary-energy requirements for the production of electricity by means of solid fuels and nuclear energy;
 - to encourage the use of renewable energy sources so as to increase their contribution to the Community's energy supplies;
 - to pursue an energy-pricing policy geared to attaining Community energy objectives ⁽¹⁾;
4. requests the Commission to submit annual reports and to make any recommendations and proposals aimed at increasing the convergence of the Member States' energy policies, ensuring that the Community's objectives are achieved and adapting them to economic trends and long-term energy supply conditions."

(¹) This policy would have to be based on established principles, as set out in the Annex to the Council Resolution of today's date concerning new lines of action by the European Community in the field of energy saving.

NEW LINES OF ACTION BY THE COMMUNITY IN THE FIELD OF ENERGY SAVING

The Council approved the substance of the following Resolution:

"THE COUNCIL,

Having taken note of the communication from the Commission entitled "Third Report on the Community's programme for energy saving",

Having regard to the Council Resolution of 17 December 1974 on Community energy policy objectives for 1985 and a Community action programme for the rational use of energy; having regard to the conclusions of the Heads of State and of Government of the European Community meeting on 6 and 7 July 1978 and on 12 and 13 March 1979, which reaffirmed and enlarged the scope of the objectives for the rational use of energy for 1985,

Having regard to the need to determine objectives for 1990 for the Community energy-saving programme,

Whereas the Member States and the Community as a whole have in general made good progress towards attaining the objectives set for 1985;

Whereas, however, all the Member States must contribute to the achievement of the Community objectives by the adoption of comparable energy-saving programmes; with due regard for the individual circumstances of each Member State;

Whereas co-ordination of the programmes of the Member States and, where necessary, of specific actions at Community level can contribute to better results in conformity with the Treaties,

1. APPROVES the objective of progressively reducing the average ratio for the whole of the Community between the rate of growth in gross primary-energy consumption and the rate of growth in the gross domestic product to 0.7 or less by 1990;
2. AGREES that Member States should, where this proves necessary, adapt their energy-saving programmes so that by the end of 1980 each Member State has an energy-saving programme covering all the main sectors of energy use and an appropriate energy-pricing policy. In order to produce comparable effects, these programmes should be based on energy-pricing guidelines and measures recommended in the basic programme set out in the Annex to this Resolution. They must, however, be adapted to the specific priorities and conditions in the Member States;
3. AGREES that work must be speeded up, particularly in international organizations, on the technical specification of methods for measuring energy consumption and on performance standards, especially those relating to heat generators and domestic appliances;
4. INVITES the Commission, on the basis of the information provided by the Member States, to keep it abreast of progress made with national energy-saving programmes and calls upon the Commission to report to it on progress made towards attaining Community energy-saving targets."

GUIDELINES FOR A BASIC ENERGY-SAVING PROGRAMME
RECOMMENDED TO EVERY MEMBER STATE
OF THE EUROPEAN COMMUNITY

(ANNEX TO THE PRECEDING RESOLUTION)

A. ENERGY PRICING

Energy pricing should be based on the following principles:

- (i) consumer prices should reflect representative conditions on the world market, taking account of longer-term trends;
- (ii) one of the factors determining consumer prices should be the cost of replacing and developing energy resources;
- (iii) energy prices on the market should be characterized by the greatest possible degree of transparency.

Publicity about energy prices and the cost to the consumer of energy used by appliances and installations should be as widespread as possible.

B. MEASURES TO ENCOURAGE THE RATIONAL USE OF ENERGY

The following measures are recommended:

1. Energy saving in the home

- A Substantial upward revision of compulsory minimum performance requirements for new housing and heating systems;
- Regulations to ensure individual metering, billing and control of heating systems in multi-occupied buildings;
- Performance standards and control of servicing of heating systems;
- Publicity campaigns and advice centres for energy saving in the home;
- Financial aid for any necessary conversion of existing houses, an exemplary programme for dwellings in public ownership;
- Labelling to indicate the energy consumption of domestic appliances.

2. Energy saving in industry

- Energy consumption accounts, especially in industries consuming large volumes of energy;
- Financial aid for small and medium-sized businesses, publicity campaigns;

- Financial and tax aid to encourage investment to save energy;
- Financial aid for the commercial promotion of new energy-saving technologies, equipment or methods (demonstration projects).

3. Energy saving in agriculture

- Promotion of the use of energy-saving agricultural machinery for the transport and processing of crops, awakening users to the possibility of making better use of existing machinery and to the existence of energy-saving techniques of cultivation, and training them accordingly;
- Rational use of chemical fertilizers;
- Better use of locally available alternative energy sources to heat farm buildings and glass houses.

4. Energy saving in offices, commerce

- An exemplary public-sector programme;
- Compulsory minimum performance standards for new offices;
- Performance standards and control of servicing of heating, cooling and ventilation systems.

5. Energy saving in transport

- Information and publicity campaigns;
- Implementation of a standard method of measuring the fuel consumption of vehicles;
- If necessary, implementation of measures to ensure that new vehicles sold within the Community comply with voluntary targets for lower fuel consumption announced by car manufacturers in the Community;
- Collecting such available national data as will enable progress towards these voluntary targets to be examined at Community level.

6. Energy production

- Measures to encourage the rational use of heat resulting from the generation of electrical energy and from industrial processes, as well as the development of heat-distribution networks.

7. Information and education

- Publicity drives on energy saving;
- Educational programmes in schools, technical colleges and universities and vocational-retraining programmes.

8. Sustained efforts in research, development and demonstration

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ENERGY SITUATION

The Council discussed the energy situation in the Community and throughout the world.

Following its discussions the Council noted that, taking account of the information supplied by the Member States for the first quarter of 1980 and if the trend that had hitherto emerged in crude oil imports were confirmed, the 1980 targets for net oil imports would be complied with.

In the light of the energy situation in the Community and worldwide and the uncertain supply prospects, the Council noted the analysis made by the Commission and stressed the need for a Community strategy based on the following guidelines:

- the Community's dependence on oil should be reduced;
- the Community should make an immediate and tangible contribution to the stabilization of the world oil market;
- the Community system for meeting emergencies should be perfected.

SHORT-TERM OIL-SUPPLY PROBLEMS

The Council held an initial discussion on the Commission communication concerning measures to mitigate the effects of short-term oil-supply problems.

At the close of its discussion, the Council requested the Commission to carry out an early examination of the following problems:

- discouraging oil companies from making purchases at excessive prices;
- consultation between the Member States on stock-management and pricing policy so as to achieve consistent prices;
- speedy exchanges of information particularly on transactions at abnormal prices;
- oil-sharing in the Community when the difference between supply and demand falls below 7%;
- measures to increase Community production of hydrocarbons in the event of a shortage, as desired by the European Council.

The Commission was requested to submit the results of its work to the Council by September.

TRANSPARENCY OF THE OIL MARKET

After discussing the problems arising in connection with the transparency of oil markets, the Council reaffirmed the importance of a policy aimed at discouraging excessive oil prices. It was agreed that the current Community information system and exchanges of information between the Member States and the Commission would continue to be applied and, where applicable, perfected.

The better to attain the above objective, the Commission was asked to carry out further studies on a speedy, direct and effective exchange of information on oil transactions at excessive prices.

COMMUNITY INITIATIVE ON ENERGY

The Community discussed for the first time the Commission communication entitled "Community initiative on energy".

The Council took note of the Commission's intention of submitting a report on Member States' investment programmes at one of the Council's forthcoming meetings and asked the Commission to submit for its examination the outline of a consistent overall energy policy. The Council emphasized that the financial aspects would have to be examined when the time came, and in the light of such a policy only.

MISCELLANEOUS DECISIONS

Energy policy

The Council adopted, in the official languages of the Communities, the Council Decision approving the conclusion by the Commission of the Subsidiary Arrangements supplementing the Agreement between the United Kingdom of Great Britain and Northern Ireland, the European Atomic Energy Community and the International Atomic Energy Agency for the application of safeguards in the United Kingdom of Great Britain and Northern Ireland in connection with the Treaty on the Non-Proliferation of Nuclear Weapons.

Research policy

The Council gave the assents requested by the Commission in respect of three coal research projects (ECSC Treaty) concerning:

- a coal research programme in the field of mining engineering;
- a coal research programme in the field of product beneficiation in the mining industry;
- the abstracting and translation of technical literature on coal.

Relations with Cyprus

The Council adopted, in the official languages of the Communities, the Regulation opening, allocating and providing for the administration of a Community tariff quota for new potatoes, falling within subheading 07.01 A II b) of the Common Customs Tariff originating in Cyprus (60,000 tonnes from 16 May until 30 June 1980, with partial suspension of the CCT at 9.4%).

Relations with Romania

The Council adopted in the official languages of the Communities the Decision on the opening, in accordance with Decision 75/210/EEC, of an additional quota for imports into Italy of synthetic rubber originating in Romania (500 tonnes for 1980).

Commercial policy: textiles

The Council adopted in the official languages of the Communities the Regulation concerning common import arrangements for certain jute products originating in Bangladesh.

Environmental policy

The Council decided to sign on the part of the Community the Protocol to the Barcelona Convention (of 1976) for the protection of the Mediterranean Sea against pollution from land-based sources.

Agricultural policy

The Council adopted in the official languages of the Communities the Regulation derogating from Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables.

Bruxelles, le 12 mai 1980
Note BIO(80)200 aux bureaux nationaux
cc. aux membres du Groupe
et a MM. Burghardt DG I et Lecomte DG VIII

Objet: Preparation Conseil Energie (R. Elphick)


Les ministres de l'energie qui commencent leur reunion demain a 11h devraient rendre compte de la situation actuelle en matiere de l'energie de la Communaute sur la base des derniers rapports de la Commission. (Voir notes P-33 et 35) Nous attendons un debat d'orientation et sur les problemes d'approvisionnement a court terme, et sur l'action urgente a prendre en vue de reduire notre consommation de petrole. Il y aura egalement un debat sur les mesures que nous envisageons en ce qui concerne le "follow-up" a l'initiative communautaire en energie et la recente declaration des chefs de gouvernement a Luxembourg.

Plusieurs delegations ont aussi exprime leur intention de soulever la question de la concertation souhaitable entre les Neuf en vue de la reunion de l'Agence Internationale de l'Energie prevue pour les 21 et 22 mai.

A l'ordre du jour pour demain figurent egalement les dossiers suivants traites lors de la reunion precedente:

- Les objectifs energetiques de la Communaute pour 1990 et convergence des politiques des Etats Membres (voir P-65 de juin 1979);
- nouvelles actions communautaires dans le domaine des economies d'energie;
- et finalement la communication de la Commission concernant la transparence du marche petrolier.

Amities,
E. Perlot COMEUR



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THE COMMUNITY HAD MUCH TO DO IN THE MEANTIME. SUDDEN UPWARD
MOVEMENTS IN PRICES HAD TO BE AVOIDED. WE HAD TO BE BETTER
PREPARED FOR FUTURE SHORTAGES OF SUPPLY.

IN DECIDING ON THE ■■ 1990 INDICATORS (FRENCH TERM= ORIENTATIONS),
THE COMMUNITY WAS ■■■■■■■■■■■■■■■■■■■■■■ UNITING ON A LONG TERM
STRATEGY. THE DECLARATION ON ENERGY SAVING MEANT ■■ THAT FOR THE
FIRST TIME ALL MEMBER STATES WILL BE WORKING OUT COMPARABLE
PROGRAMMES OF ENERGY SAVING.

MORE LATER

REGARDS,
E. PERLOT COMEUR
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Bruelles, le 13 mai 1980

Note BIO(80)200 (suite 2 et fin) aux bureaux nationaux
cc. aux membres du Groupe, a M. Burghardt DG I et a
M. Lecomte DG VIII

Subject: Energy Council (R. Elphick)

Ministers found little difficulty in dealing with the rest of their agenda and the meeting ended at midafternoon with agreement on meeting again in September.

In looking at proposals to promote market transparency, ministers were generally agreed that it was right to discourage the payments of excessive prices for oil. How this was to be done would be looked at further.

On the energy initiative already placed before the European Council, the Commission was given a green light to begin studying Member States' plans with the aim of seeing where gaps lay and how programmes could be stimulated and financed. Some ministers stated their wish to see the size of the problem before deciding on methods of finance or commenting on the Commission's suggestion for providing Community money possibly through an oil tax.

At the concluding press conference, the current president, Mr Bisaglia, made the point that the Council was following up the conclusions of the European Council on energy and also looking ahead to the International Energy Agency meeting in Paris next week as well as the next European Council in Venice in June. There was also the industrial countries' summit around the end of June. As to a concerted position for the Community in the IEA (of which France is not a member) Mr Bisaglia said there were no differences of opinion among the Nine.

Mr Brunner gave some further details on the follow up to the energy initiative. The Commission would shortly be sending out questionnaires and making individual contacts in the Member States. On the basis of these we would establish where the gaps were in national programmes designed to bring about the replacement of oil.

Then the Commission would try to establish how best these gaps might be plugged and would also look at ways this could be financed. These could be by way of loans, interest rebates, non refundable grants and so on. If it was established that these would not be enough, then we should have to see what added finance we could come up with. The first thing, however, was to see where the gaps were.

Regards,
E. Perlot COMEUR



