

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

10441/84 (Presse 190)

LIBRARY

966th meeting of the Council

- Energy -

Brussels, 13 November 1984

President: Mr Dick SPRING
Tánaiste (Deputy Prime Minister)
and Minister for Energy
of Ireland

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Etienne KNOOPS
State Secretary for Energy

Denmark:

Mr Knud ENNGAARD
Minister for Energy

Germany:

Mr Dieter von WÜRZEN
State Secretary
Federal Ministry of Economic Affairs

Greece:

Mr Eleftherios VERIVAKIS
Minister for Energy
and Natural Resources

France:

Mr Martin MALVY
State Secretary responsible to
Minister for Industrial
Reorganization and Foreign Trade,
responsible for Energy

Ireland:

Mr Dick SPRING
Tánaiste (Deputy Prime Minister)
and Minister for Energy

Mr Edward COLLINS
Minister of State at the
Department of Energy and the
Department of Industry, Trade,
Commerce and Tourism

Italy:

Mr Bruno ORSINI
State Secretary
Ministry of Industry

Luxembourg:

Mr Marcel SCHLECHTER
Minister for Energy

Netherlands:

Mr G.M.V. van AARDENNE
Deputy Prime Minister
and Minister for Economic Affairs

United Kingdom:

Mr Alick BUCHANAN-SMITH
Minister of State
Department of Energy

Commission:

Viscount Etienne DAVIGNON
Vice-President

MEMBER STATES' ENERGY POLICIES

In the light of the guidelines agreed at its 929th meeting on 22 May 1984 the Council resumed discussion of the Commission's review of Member States' energy policies and progress towards long-term energy objectives.

The Council welcomed the progress already made by Member States in reducing dependence on oil and increasing the efficiency of energy use. It recognized the need for this progress to be sustained despite the current relaxed energy market situation, given the major uncertainties about the long-term outlook for supply and demand. The Council reaffirmed the importance in that context of appropriate and common long-term energy objectives as a framework for both national and Community action.

The Council agreed that progress in each Member State and at Community level towards such objectives should continue to be monitored through in-depth reviews carried out by the Commission on its own responsibility, the results of which should be reported to the Council on a regular basis.

The Council noted the importance of realizing the further potential for savings in energy use identified in both the Commission's review of Member States' energy policies and the review of Member States' energy savings programmes. It agreed that in future the Commission's review of Member States' energy policies should incorporate the results of detailed examinations of Member States'

energy savings programmes, thus updating the procedures laid down in its Resolution of 1980 on energy savings policies (and taking into account the guidelines set out in its new Resolution on this subject).

The Council also stressed the importance of detailed examination by COREPER of future reviews by the Commission in contributing to better mutual understanding by Member States of each others policies, as well as in updating and, if necessary, amending or supplementing the information in the Commission's reports. It took note in this context of the report by the Council Secretariat on the detailed discussions that had taken place since 22 May, and also of the Commission document on the conclusions in the light of those discussions.

The Council is awaiting the Commission's proposed new objectives in the energy sector for the 1990s, taking into account the results of the detailed examination of Member States' energy policies and, in the light of consultations with Member States, the Commission's study of energy supply and demand options in the year 2000. Such guidelines should aim to provide a framework of ambition and a stimulus to action at national and Community level whilst taking account, however, of the need for flexibility to respond to possible changes in energy conditions during the rest of this century.

ENERGY PRICES

The Council considered a Commission report on the application of energy pricing principles in the Member States with particular reference to the gas and electricity sectors.

The Council's debate focussed on the following four points:

- the advisability of basing energy prices on considerations of cost and energy policy alone, or, possibly, on other considerations of for example social and industrial policy;
- the need to ensure the financial viability of gas and electricity undertakings;
- the need to avoid discrimination between different categories of consumer by charging different prices for energy which are not justified by differences in supply costs;
- the need for greater transparency in energy prices, particularly in the case of contracts concluded with large consumers of gas or electricity.

The Council stressed that energy prices were of particular importance in energy policy and instructed the Permanent Representatives Committee, in the light of this debate, to examine the report in question further with a view to subsequent discussions by the Energy Council.

FINANCIAL SUPPORT IN FAVOUR OF INDUSTRIES PRODUCING SOLID FUELS

The Council discussed in detail the various aspects of Community solid fuels policy.

Approaches continued to vary, thereby making agreement difficult at this stage.

Nevertheless since all the delegations were keen to improve the efficiency of Community energy policy, they recorded their resolve to achieve the goal they had set themselves: to make headway towards an equitable overall Community solid fuels strategy.

They decided, in particular, to pursue their efforts to increase the proportion of solid fuels in the Community energy statement. To realize this without prejudice to the final decisions taken on the various suggestions put before them, they wished to examine how to increase solid fuel penetration to benefit the Community economy on conditions acceptable for the environment.

HYDROCARBONS

The Council examined a Commission communication on the programme of support for Community projects in the hydrocarbons sector.

The Council took note on this occasion of the Commission's intention to submit a proposal in the near future for a Regulation amending the basic Regulation on support for Community projects in this sector.

In connection with the financial year 1984, the Council formally adopted a Decision on the granting of support amounting to approximately 35 MECU for Community projects in the hydrocarbons sector.

ENERGY IMPLICATIONS OF CERTAIN QUESTIONS CONCERNING MEASURES TO COMBAT
AIR POLLUTION

The Council discussed the energy implications of the following questions concerning measures to combat air pollution, currently under consideration in the relevant environmental bodies:

- limits on pollutant emissions into the atmosphere from large combustion plants;
- certain aspects tied to motor vehicle traffic;
- the specific problems of leaded petrol.

Following the discussions, the Council asked the President to bring its findings to the attention of the Presidency of the Environment Council before its meeting on 6 December.

NATURAL GAS

The Council held a preliminary discussion on a Commission communication concerning natural gas.

The Council instructed the Permanent Representatives Committee to examine the Commission communication in detail in preparation for the Council's discussions on this dossier at its next meeting on energy matters.

ENERGY-SAVING PROGRAMMES IN THE MEMBER STATES

The Council recorded its agreement on the substance of the Resolution set out below. It also noted that the Commission was intending to submit a study in the near future on the implications for energy-saving of the legislation and practices in force in the transport sector in the Member States.

"THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Commission communication of 2 February 1984 entitled "Comparison of Energy-Saving Programmes of EEC Member States";

Having regard to the Council Resolution of 9 June 1980 concerning the increase in the Community of efforts to save energy and reduce oil consumption and imports, which recommended to Member States guidelines for a basic energy-saving programme;

Having regard to the Commission Recommendation of 29 July 1980 on the rational use of energy in industrial enterprises;

Having regard to the Council Recommendation of 28 July 1982 concerning the encouragement of investment in the rational use of energy;

Whereas, although encouraging progress has been made in the Member States of the Community during the past years, there still remains great potential in the Community for improving energy efficiency;

Whereas account should be taken of the factors of experience in defining new guidelines for a basic programme recommended to all the Member States having regard to the priorities and conditions peculiar to each of them;

1. invites Member States to pursue and where necessary increase their efforts to promote the more rational use of energy by the further development of integrated energy-saving policies;
2. recalls that such policies should be based on the principles of energy price policy and on the measures set out in the Resolution of 9 June 1980;
3. notes that such policies should also be based on the guidelines contained in the Annex;
4. also notes the advisability of ensuring as far as possible that any measure affecting price levels is consistent with the objectives of energy-saving policy;
5. takes note of the Commission's intention to pursue its action in favour of the rational use of energy, in particular by:
 - promoting the development of standardized measuring methods and, if necessary, of indicative reference standards for appliances and materials;
 - drawing up sectoral programmes comprising, in the light of the results already achieved and possible improvements, specific proposals (e.g. in the building and transport sectors);
 - disseminating throughout the Community the results obtained by national and Community research, development and demonstration programmes;
6. notes that Member States will keep the Commission informed of the development of their energy-saving policies, thus enabling the latter to analyse the contribution they are making towards Community energy objectives and to report to the Council.

ADDITIONAL GUIDELINES
FOR A BASIC ENERGY-SAVING PROGRAMME
RECOMMENDED TO ALL THE MEMBER STATES

A. ENERGY PRICING

1. It is particularly important from the point of view of the rational use of energy that energy be priced with due regard for the market and costs.
2. For this reason, the practical implementation of the price policy conclusions and recommendations adopted by the Council since 1980 remains as important as ever.
3. Any effective energy pricing in the context of the rational use of energy must above all seek to ensure that prices are not being maintained artificially below the real market level. It is urgent that efforts to implement this principle in the Member States be intensified.

B. MEASURES TO ENCOURAGE THE RATIONAL USE OF ENERGY

Without prejudice to the measures set out in the Council Resolution of 9 June 1980 and in the light of experience gained, with a view to maximum efficiency, recourse to the following measures in whole or in part is recommended to the Member States depending on their specific priorities and conditions.

1. Information and consultation

(a) Main guidelines

- Information programmes with a view to stimulating further public awareness on the efficient use of energy by advertising campaigns based on specific topics;

- Accompanying measures in the form of concrete advice and practical proposals;
- Technical consultation measures, such as diagnostic measures (including, where appropriate, the idea of the energy bus).

(b) Means

- Development of possibilities for the consumer to obtain useful advice at regional and local level on energy efficiency;
- Encouragement to associations for the efficient use of energy, in order to stimulate exchanges of experience between energy managers (particularly in industry) and energy-saving advisers;
- Taking account in information and consultation measures of the fact that there are still differing degrees of awareness of the problems of energy efficiency, and research into the most effective means of remedying this;
- Inclusion of energy efficiency aspects in the teaching curricula of schools and universities, as well as in vocational training and driving schools;
- Means to ensure that consultants and persons selling and installing energy consuming equipment have adequate professional competence (e.g. membership of associations which apply appropriate professional standards of competence);
- Information, in addition to that dealing with heating, on making better use of electricity in all its forms;
- Encouraging the commitment of management to the efficient use of energy.

2. Financial incentives

(a) Main guidelines

- Recourse to financial incentives inasmuch as the obstacles to investments for more efficient use of energy are financial;
- Introduction of such incentives for a specific objective and a limited period of time such that any extension or adaptation can be conditional upon an evaluation of their effectiveness;
- When devising financial incentives, taking account of the restraints on energy efficiency, especially in small and medium-sized undertakings, posed by the restricted availability of capital;
- Particular attention to the rented accommodation sector.

(b) Best use of incentives

- Evaluation of energy efficiency before and, if possible, after the granting of the financial incentive to the investment;
- To this end, use of all suitable means of information and consultation to ensure that the financial incentive measure has a favourable cost/effectiveness ratio, also taking into account certain non-financial factors likely to play a significant role in investment decisions.

3. Regulations and standards

(a) Guiding principles

- Use of such standards where the forces obtaining on the market and its transparency are not sufficient to guarantee efficient use of energy;

- Taking into consideration, when drawing up these measures, of their economic consequences and of the experience acquired in other States;
- Clear definition of the standard to be prescribed or, as the case may be, of the best standard to be attained which it is proposed to introduce after a suitable period of time;
- Introduction of adequate control or, failing that, use of recommendations rather than binding regulations;
- Periodic revision of the regulations and standards in the light of possible changes in the conditions which obtained when they were drawn up.

(b) Sectoral applications

(i) Building sector

- Application of appropriate construction codes taking into account general and specific energy circumstances and requirements;
- Elaboration, where justified technically and economically, of efficient performance and operation standards for heating systems and boilers;
- Development of means to enable the consumer better to regulate his own use of energy (individual meters in residential and tertiary buildings; selection of more reliable and economical meters);

- Development of effective standards for ventilation and air-conditioning, with particular respect to heat recovery;
- indication on domestic electrical appliances of their energy power provided this is justified technically and economically (depending in particular on the potential energy-saving involved).

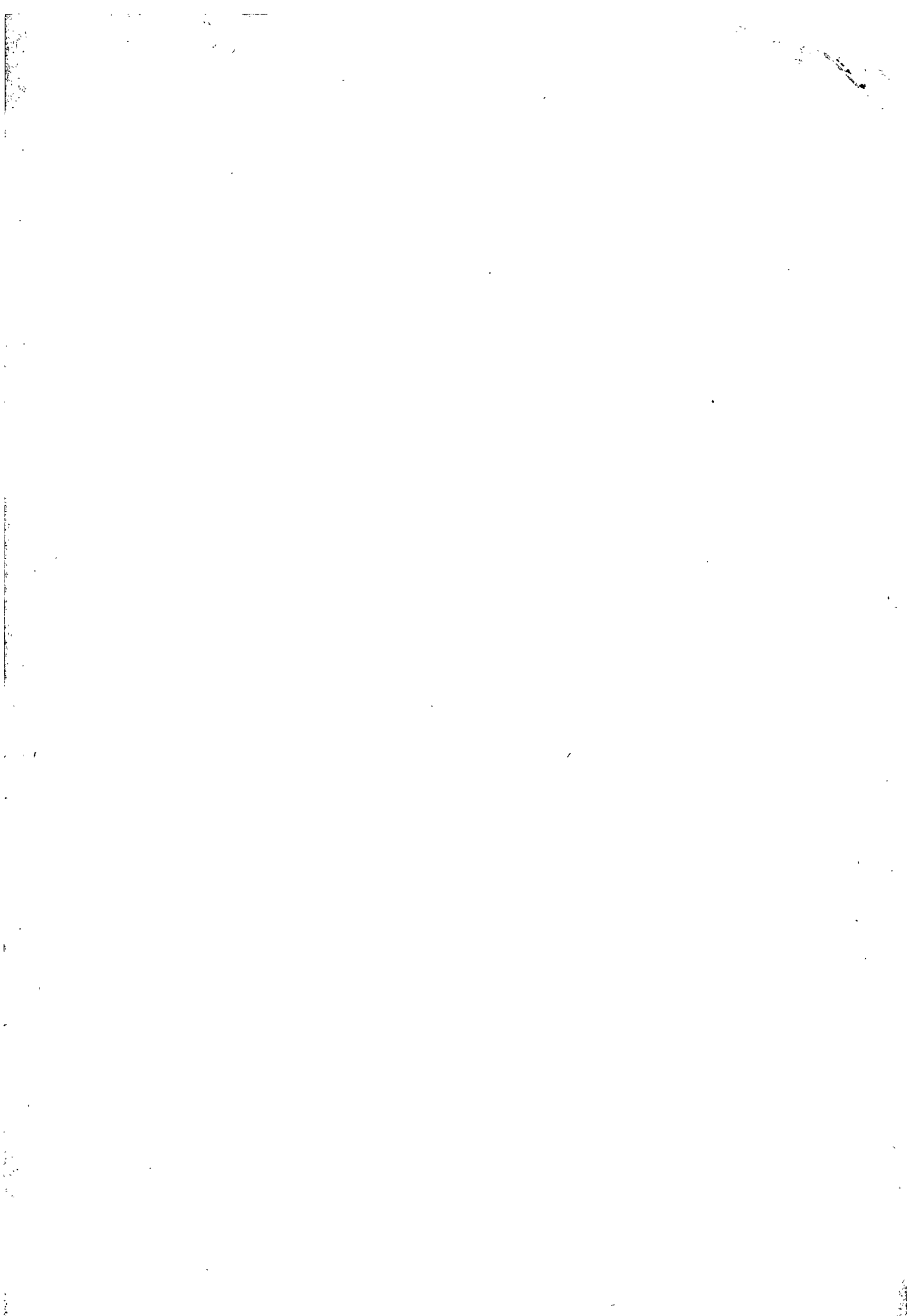
(ii) Transport sector

- Taking into account the particular importance of increased efforts given that this sector is one of the major and growing users of oil products: to this end, monitoring the adequacy of the regulations and standards relating to specific fuel consumption;
- Advantage for rational use of energy of further improvements in means of transport and in particular in public transport, in their use and in traffic patterns (for example, where appropriate: to design and servicing of road networks, the synchronization of traffic lights, traffic lanes reserved for public transport, speed limits, limiting of tolls and frontier controls, etc.).

(iii) Industry sector

Recommendations stressing the advantage of planning new investments also with a view to the efficient use of energy on an economic basis.

This text will be finalized and formally approved at a forthcoming Council meeting.



483

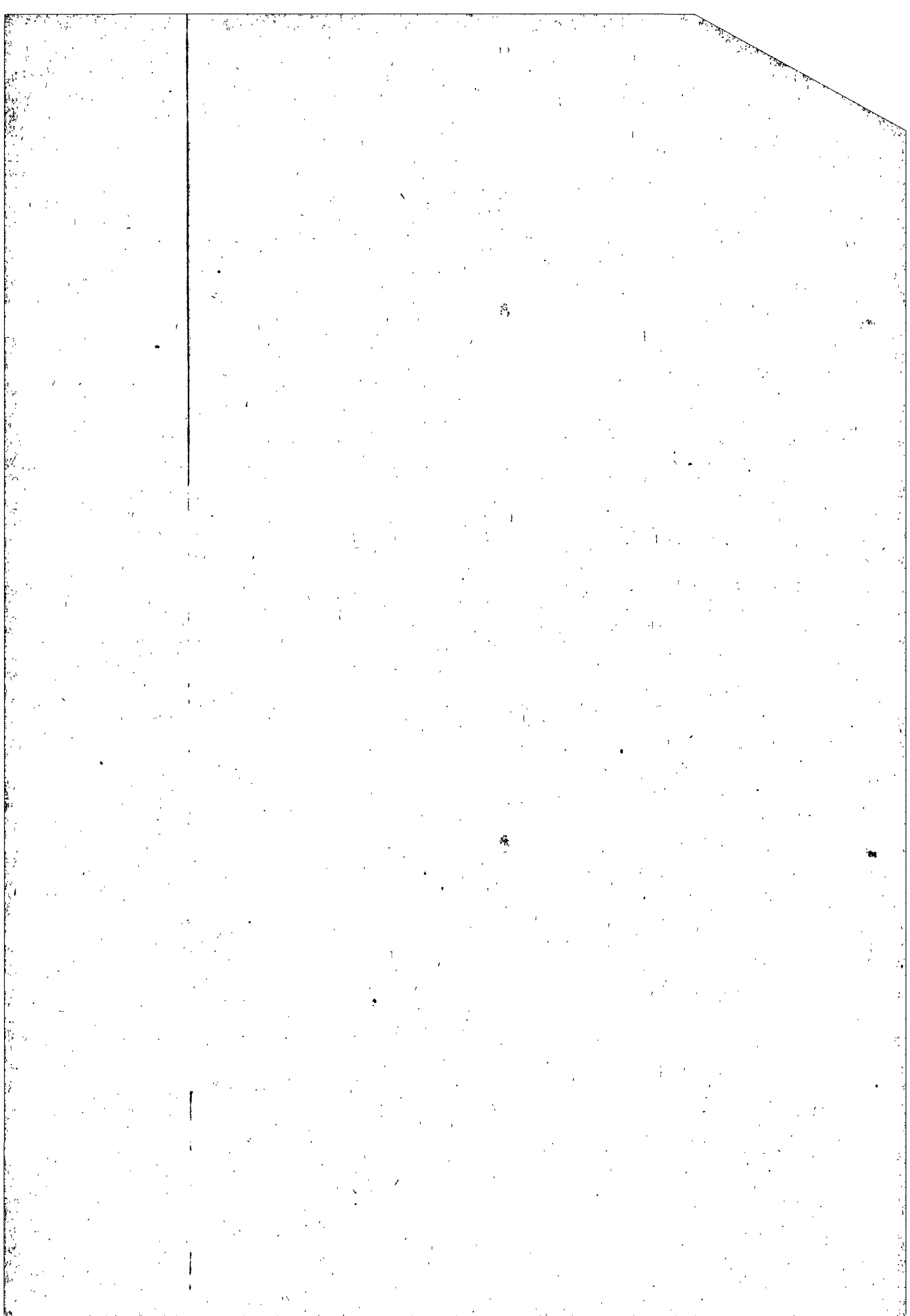
Bruxelles, le 13 novembre 1984
NOTE BIO (84) 424 aux bureaux nationaux
c.c. aux membres du groupe du porte parole

Objet: CONSEIL ENERGIE (Willy Helin)

En raison des encombrements avec les autres Conseils, nous vous enverrons par courrier normal un dossier de background que nous avons établi pour la presse en fonction des diverses décisions intervenues au Conseil.

AMITIES
M. SANTARELLI/COMEUR////





Bruxelles, le 14 novembre 1984

NOTE BIO (84) 424 (SUITE 1 ET FIN) AUX BUREAUX NATIONAUX
C.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

CONSEIL ENERGIE : LES RESULTATS (Willy HELIN)

1. La strategie energetique poursuivie par les Dix : la Communauté s'affranchit du petrole, mais des preoccupations demeurent.

En fevrier 1984 (voir P-13 et annexes) la Commission avait dresse un bilan exhaustif des resultats de la strategie developpee au niveau de la Communauté europeenne en matiere d'energie.

Elle constatait a l'epoque que deux lecons politiques ressortent clairement:

'a grande lecon a tirer de l'analyse des politiques menees par les Etats membres est que des politiques energetiques vigoureuses portent leurs fruits. Les Etats membres qui ont mene les politiques les plus energetiques en encourageant la substitution du petrole pour la production d'electricite et l'utilisation plus rationnelle de l'energie en ont tire le meilleur profit.

La seconde lecon a tirer est que l'existence d'engagements politiques, d'accords et de programmes au niveau communautaire a permis d'influencer et de renforcer la politique energetique au niveau national : en particulier. les objectifs a long terme de la Communauté ont fourni un cadre utile pour l'elaboration des politiques energetiques nationales. Le Conseil (Energie) a deja reconnu ce point dans son rapport sur la politique energetique communautaire du 4 novembre 1983.

Apres un premier debat en mai, le Vice-President DAVIGNON a depose hier les conclusions de la Commission (voir pour les details : memo 107).

L'objectif essentiel de cet exercice a ete atteint : les Dix reconnaissent effectivement que la nouveaute est, qu'a present, l'on ne joue plus a "cache-cache" et que desormais chacun est dument informe des politiques suivies par chacun des pays de la CE et des conclusions generales a en tirer.

A epingler : les interrogations sur le role du gaz naturel,

ou une plus grande flexibilite s'impose en matiere de formation du prix sans quoi l'attrait du gaz naturel pourrait s'estomper (voir aussi P-80).

- Les perspectives de production d'electricite : confirmation du nucleaire, mais nombreuses questions sur l'utilisation des combustibles solides, en raison principalement des problemes ecologiques;

- les efforts louables en matiere d'economie et d'utilisation plus rationnelle de l'energie; cela demeure une priorite et il ne s'agit pas de relacher l'effort;

- la politique de formation des prix, surtout une plus grande transparence est d'une autre priorite qui pose un probleme d'ordre economique general (stabilite financiere des entreprises de distribution, etc.) (voir Memo 97).

2. Accroissement de l'effort vers une societe moins gourmande en energie (pour details voir Memo 107).

Les Dix ont adopte a ce sujet une resolution. Elle confirme que les Dix entendent, comme l'a repete inlassablement la Commission, poursuivre dans la voie d'une utilisation plus rationnelle de l'energie et donc d'economiser l'energie. C'est un signal politique important qui illustre en substance que la Communaute maintient "le cap energetique" qu'elle s'est fixe a la suite des differents chocs petroliers. En d'autres termes, il y a la reconnaissance claire que l'accalmie apparente sur le marche energetique ne signifie pas un relachement de l'effort - reconnu comme prioritaire - de mettre en place aussi une societe "moins gourmande" en energie.

3. Evolution du marche energetique 1984-1985

Le Vice-President DAVIGNON a presente aux Dix les resultats d'une analyse recente de ses services quant a l'evolution du marche de l'energie de la Communaute pour 1984 et 1985.

EN RESUME :

- pour la premiere fois depuis 1979 la consommation d'energie dans la Communaute pourrait augmenter en 84-85 en raison principalement d'une activite economique en croissance.

La consommation d'energie primaire pourrait croitre de 4% environ en 1984 et de 2,8% en 1985.

- la consommation petroliere augmenterait en moyenne entre 1 et 2 % en 1984-85.

- il ne s'agit toutefois pas, selon la Commission de conclure a une tendance de consommation a long terme.

4. 35 millions d'Ecus en 1984 pour cofinancer 51 projets interessants dans le secteur des hydrocarbures

Pour l'annee en cours, la Communauté financera a concurrence de 34,9 millions d'Ecus des projets de developpement technologique (geophysique et exploration, forage, systemes de production, transport, technologie du gaz naturel, etc.) dans le secteur des hydrocarbures, dont l'investissement total s'eleve a 103,6 millions d'Ecus. Le Vice-President DAVIGNON a annonce au Conseil qu'il soumettra dans les 15 jours un programme pluri-annuel dans ce meme secteur pour les annees suivantes.

Rappel des principaux resultats atteints jusqu'a present:

Ce genre de programme a ete lance pour la premiere fois en 1974. Au total, sur un volume global d'investissement de l'ordre de 1 milliard d'Ecus (1974-1983) la Communauté a engage dans ces actions quelque 307 millions d'Ecus. Pour l'annee 1984 la dotation avait ete fixee a 35 millions d'Ecus.

En 10 ans, quelque 319 projets ont ete finances par les industriels concernes et la Communauté. Jusqu'a present, 140 projets ont ete acheves, 42 ont deja atteint le stade de l'exploitation commerciale (ce qui donne lieu a un remboursement partiel ou total du soutien accorde). Le bilan de cette activite est positif: elle a permis des realisations techniques importantes dans les secteurs de la geophysique, du forage, de la production et du transport aboutissant a une amelioration generale de la securite des approvisionnements petroliers de la Communauté, a la stimulation du developpement et de l'innovation technologique, a l'encouragement d'initiatives industrielles et de cooperations au niveau communautaire. (Voir Memo 107.)

FIN
Amities,
M. SANTARELLI COMEUR 13.15



