



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

6543/92 (Presse 89)

1580th Meeting of the Council

- ENERGY -

Brussels, 21 May 1992

**President: Mr Luis Fernando de MIRA AMARAL
Minister for Industry and Energy
of the Portuguese Republic**

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

Belgium

Mr Melchior WATHELET
Minister for Justice and
Economic Affairs

Denmark:

Mrs Anne Birgitte LUNDHOLT
Minister for Industry and
Energy

Mr Soeren SKAFTE
State Secretary

Germany:

Mr Dieter von WURZEN
State Secretary, Federal
Ministry of Economic Affairs

Greece:

Mr Andreas ANDRIANOPOULOS
Minister for Industry, Energy,
Technology and Trade

Spain:

Mr Claudio ARANZADI
Minister for Industry and
Energy

France:

Mr Dominique STRAUSS-KAHN
Minister for Industry and
Foreign Trade

Ireland:

Mr Robert MOLLOY
Minister for Energy

Italy:

Mr Guido BODRATO
Minister for Energy

Luxembourg:

Mr Alex BODRY

Minister for Energy

Netherlands:

Mr Koos ANDRIESSEN

Minister for Energy

Portugal:

Mr Luis Fernando de MIRAL AMARAL

Minister for Industry and
Energy

Mr Luis Filipe PEREIRA

State Secretary for Energy

United Kingdom:

Mr Timothy EGGAR

Minister for Energy

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Commission:

Mr Antonio CARDOSO E CUNHA

Member

INTERNAL MARKET IN ELECTRICITY AND NATURAL GAS

The Council held a policy debate on two proposals for Directives concerning common rules for the liberalization of the market in electricity and natural gas in the Community, in the context of completing the internal market in those sectors.

Following that debate, the Presidency drew the following conclusions:

"The Presidency:

1. considers it desirable that a gradual and progressive approach be adopted on this issue, with the smooth running of the Internal Market as a whole as a constant objective;
2. notes that, at the preliminary policy debate on the two proposals, a broad consensus was reached on:
 - the importance of security of energy supplies, which, at Member State level, must be guaranteed;
 - the important role of environmental protection in the implementation of the proposed Directives;
 - the advisability of giving a substantial role to the principle of subsidiarity and avoiding, as far as possible, further rules at Community level and in the Member States;
 - the need to take account of the different characteristics of natural gas and electricity when examining the two proposals;

3. also notes that some Member States are in favour of:

- opening up the energy production sector to competition and the abolition of exclusive rights concerning construction of electricity lines and natural gas pipelines;
- an increase in the transparency of this sector by means of a separation (unbundling) of vertical energy undertakings;

4. recalls that, in the context of the liberalization of the Energy Market, some delegations have misgivings as to the possible consequences of implementing the principle of Third Party Access (TPA);

5. also notes the fact that these misgivings concern, in particular: the challenge to the guarantees relating to the system of property ownership; protection of the interests of small consumers; non-discriminatory treatment in respect of tariffs; the introduction of a suitable infrastructure, and if necessary, of the related funding; definition of transparency of costs; application of the rules of competition in order to avoid price distortion; advisability of having an evaluation report from the Commission on the introduction and operation of the transit of electricity and natural gas as recommended by the Council directives of 1990 and 1991; an adequate transition period; an evaluation of progress at the end of the 2nd stage before beginning an examination of the 3rd stage;

6. hopes that the Council will give a significant stimulus to the effective resolution of these problems and that appropriate flanking measures, such as trans-European networks and suitable infrastructures, which are essential to the smooth running of the internal market, will be adopted at the same time."

The Council instructed the Permanent Representatives Committee to continue examining the proposals in particular in the light of the Opinions of the European Parliament and the ESC.

COMMUNITY STRATEGY TO LIMIT CO2 EMISSIONS

The Council heard a statement by Mr CARDOSO E CUNHA, Member of the Commission, followed by an exchange of views on the Commission proposals concerning a Community strategy to limit CO2 emissions and improve energy efficiency, including an energy chapter and an overall strategy.

In this context, Mr CARDOSO E CUNHA referred to:

- new proposals to improve energy efficiency in the building, transport and industrial sectors in the context of the SAVE programme;
- increased recourse to renewable sources of energy by means of the new ALTENER programme;
- the Commission's intentions in the context of preparation of a Community position of proposing a tax on CO2 and energy at the Rio de Janeiro Conference.

The Council instructed the Permanent Representatives Committee to study the formal proposals expected from the Commission.

The Council also adopted a statement reaffirming the importance it attached to the THERMIE programme as an essential element of energy policy and as a means to take account of the most recent

environmental concerns, hoping that the level of activity to be taken into consideration in its budget discussions would continue to enable that programme to make an appreciable contribution to solving technological problems in the energy sector.

TRANS-EUROPEAN NETWORKS - ENERGY ASPECTS

The Council heard the Commission's outline of the energy aspects of its communication on the setting up of trans-European networks.

The Council noted the Commission's intention of submitting to it next autumn guidelines in the sphere of trans-European networks, as provided for in Title XII of the Treaty on European Union.

OIL SUPPLIES - POSSIBLE COMMUNITY ACCESSION TO THE IEA

The Council noted the Commission's presentation of two proposals for Directives providing for appropriate measures in the event of difficulties in the supply of crude oil and petroleum products to the Community and a draft Decision containing a negotiating brief with a view to possible Community accession to the International Energy Agency (IEA).

It will be remembered that, at its meeting on 29 October 1991, the Council had asked the Commission to submit new proposals on this subject and to adapt the draft negotiating brief concerning Community accession to the IEA, taking account of the distribution of powers between the Community and the Member States in the fields covered by the IEA.

Following the preliminary discussion, the Council instructed the Permanent Representatives Committee to continue examining the proposals, in particular in the light of the Opinions awaited.

OIL MARKET AND THE REFINING INDUSTRY IN THE COMMUNITY

The Council was informed by Mr CARDOSO E CUNHA of the situation on the oil market and in the refining industry in the Community, on which the Commission submitted a communication to the Council.

CONDITIONS FOR GRANTING AND EXERCISING AUTHORIZATIONS TO PROSPECT, EXPLOIT AND EXTRACT HYDROCARBONS

The Council heard the Commission's presentation of a proposal for a Directive aiming at gradually establishing the internal market by calling upon Member States to ensure non-discriminatory access by entities to the prospecting and exploration for or extraction of hydrocarbons and non-discriminatory exercise of these activities.

Following a discussion, the Council instructed the Permanent Representatives Committee to continue examining the proposal, in particular in the light of the European Parliament's Opinion.

ENERGY POLICY OBJECTIVES

The Council held a discussion on updating the Community energy policy objectives for 1995 and convergence of Member States' policies.

OTHER DECISIONS IN THE ENERGY SECTOR

Energy planning at regional level

The Council adopted the following conclusions:

"The Council notes the communication submitted by the Commission on 22 May 1991 on energy planning in the European Community at regional level.

The Council:

- expresses its interest in the regional energy planning measure introduced by the Commission;
- endorses the orientation and priorities indicated by the Commission for the measures in progress;
- emphasizes the need to strengthen co-ordination with existing programmes such as SAVE and THERMIE, with measures under the structural funds and, in line with the principle of subsidiarity, with the Member States' own measures;
- notes the Commission's intention of evaluating and following-up these measures and of informing it, together with the European Parliament and the Economic and Social Committee, of the outcome thereof by the end of 1993 at the latest. On this basis the Council will examine what arrangements could be made for continuing these measures, taking account also of links with other programmes."

Efficiency requirements for new boilers

Following the co-operation procedure with the European Parliament, the Council adopted the Directive on the efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels.

That Directive, which is one of the measures sparked off by the SAVE programme, aims at creating the conditions for establishing the internal market by ensuring common energy efficiency standards for each type of apparatus that are accepted by all the Member States.

The Directive has a dual aim: energy savings as the domestic and tertiary sector absorbs a major and increasing proportion of the final consumption of energy in the Community, and the resultant protection of the environment.

The enacting terms, moreover, provide for the granting of the CE mark and the awarding of quality labels (stars) under specific conditions.

Labelling of household appliances

The Council adopted a common position on a Directive on the indication by labelling and standard product information of the consumption of energy and other resources of household appliances.

The Directive should enable consumers to choose more energy-efficient appliances.

Electricity and natural gas transmission infrastructures in the Community

The Council adopted the following conclusions:

"The Council:

- (1) notes with interest the analysis and the approach in the communication which the Commission has forwarded to the Council and the European Parliament on electricity and natural gas transmission infrastructures in the Community;

- (2) reaffirms that the development and establishment throughout the territory of the Community of trans-European networks in the energy sector is aimed at increasing security of supplies in the Community, permitting balanced operation of the internal market within a system of open, competitive markets and strengthening economic and social cohesion in accordance with Articles 129b, 129c and 129d of the Treaty on European Union;
- (3) considers that the action to be taken to attain that objective must as of now be in accordance with the provisions of the Treaty on Union and calls upon the Commission to continue its work of drawing up guidelines for electricity and natural gas transmission infrastructures in close conjunction with the Member States, with a view to submitting proposals for such guidelines to the Council;
- (4) considers in this context that Community action to realize in full the objectives set out in the Treaty on Union should start in 1993;
- (5) welcomes the Commission's intention of:
 - involving the various parties concerned as fully as possible in the drafting of these guidelines;
 - establishing priorities in order to ensure that all Community regions can benefit from the internal market;
 - ensuring a coherent approach between the Community Structural Funds and support given in the context of the trans-European networks;
- (6) calls upon the Commission to convene meetings of experts from the Member States to hold the necessary talks.

The Council also noted:

- the first Commission report to the Council on energy investment projects in the Community pursuant to Regulation No 1056/72 (situation as at 1 January 1990);
- the Commission mid-term report on the application of Decision No 2064/86/ECSC establishing Community rules for State aid to the coal industry during the period 1987-1990.

OTHER DECISIONS

EEC-Australia relations

The Council adopted the Decision authorizing the Commission to negotiate a scientific and technical co-operation agreement between the Community and Australia.

Appointments

The Council replaced:

- a member of the Advisory Committee on Safety, Hygiene and Health Protection at Work;
- a member of the Advisory Committee on Social Security for Migrant Workers.