



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



**PRESS RELEASE**

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1625th meeting of the Council

- ENERGY -

Brussels, 30 November 1992

**President:** Mr Timothy EGGAR  
Minister for Energy of the  
United Kingdom



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

Belgium

Mr Melchior WATHELET Deputy Prime Minister, Minister for Justice and Economic Affairs

Denmark

Mrs Anne Birgitte LUNDHOLT Minister for Industry and Energy

Mr Soeren SKAFTE State Secretary, Ministry of Industry and Energy

Germany

Mr Jürgen W. MÖLLEMANN Federal Minister for Economic Affairs

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

Greece

Mr Georges APOSTOLAKIS Secretary-General for Energy

Spain

Mr Claudio ARANZADI Minister for Industry and Energy

France

Mr André BILLARDON Minister with special responsibility for Energy

Ireland

Mr John LOUGHREY Secretary, Department of Energy

Italy

Mr Giuseppe GUARINO Minister for Energy

Luxembourg

Mr Alex BODRY Minister for Energy

Netherlands

Mr Koos ANDRIESSEN Minister for Energy

Portugal

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

SUPPLY OF OIL/ACCESSION OF THE COMMUNITIES TO THE IEA

Pending the Opinion of the European Parliament, the Council held a political debate on the proposal for a Directive providing for appropriate measures to be taken in the event of difficulties in the supply of crude oil and petroleum products to the Community, and on the recommendation for a Decision on the accession of the European Communities to the Agreement on an International Energy Programme and to the Decision establishing the International Energy Agency (IEA).

The proposal for a Directive updates the Community legislation in force in order to take account of the unity of the internal market and the international commitments which the Community would be required to enter into if it decided to accede to the IEA.

The debate showed a broad consensus in favour of the contents of the proposal for a Directive on the basis of a compromise from the Presidency. In the case of the Decision on the accession of the Communities to the IEA, the Member States and the Commission differed as to the approach to be adopted.

The Council therefore instructed the Permanent Representatives Committee to continue examining these two proposals with particular reference to the forthcoming Opinion of the European Parliament and to discussions on this by the Council bodies responsible for the Community's external relations.

OIL MARKET AND THE REFINING INDUSTRY

Following an examination of the Commission communication on recent developments and prospects of the oil market and the refining industry in the Community, the Council adopted the following conclusions:

"The Council:

- welcomes the Commission's communication on the Oil Market and the Refining Industry;
- endorses the Commission's view that markets worked efficiently during the Gulf Crisis and notes the success of the European oil industry in maintaining supply;
- recognizes that the existence of a competitive European refining industry contributes to the stability of the markets of refined products, to the security of oil supply in the Community and to its energy independence;
- reaffirms the importance of protection of the environment, and endorses the Commission's view that environmental issues will continue to place a heavy burden on the oil industry. The Council therefore invites the Commission to consult fully the industry at an early stage in the development of environmental measures, particularly on the cost implications for producers and consumers;
- agrees with the objectives of continuing the policy of encouraging diversification in oil supplies and strengthening the incentives for a more rational use of energy. In this context, the Council asks the Commission to produce an early analysis of the constraints on oil consumption at power stations as laid down in Directive 75/405/EEC, given the changed circumstances in the international oil market;
- underlines the importance of the ongoing dialogue between oil producing and consumer countries;
- encourages the Commission to conduct regular reviews of the Community's oil markets and refining industry and recognizes the importance of such reviews as a basis for policy discussions within the Community."

COMMUNITY STRATEGY TO LIMIT CARBON DIOXIDE EMISSIONS AND TO IMPROVE ENERGY EFFICIENCY

The Council took note of the progress report on a Community strategy to limit carbon dioxide emissions and to improve energy efficiency, and of the energy implications of the proposed introduction of a carbon dioxide/energy tax.

This Community strategy is intended to stabilize carbon dioxide emissions at their 1990 level by the year 2000, in order to counter the greenhouse effect, and consists of the following four elements:

- the Decision concerning the ALTENER programme (see below);
- the Directive in the context of the SAVE programme (see below);
- the carbon dioxide/energy tax (to be discussed by the ECOFIN Council on 14 December and the Environment Council on 16 December 1992);
- the Decision concerning a mechanism for monitoring of carbon dioxide emissions and other greenhouse gases (to be discussed by the Environment Council in December).

ALTENER programme

Pending the Opinion of the European Parliament, the Council was generally in favour of the proposal for a Decision concerning the promotion of renewable energy sources in the Community (ALTENER programme) with a view to limiting carbon dioxide emissions.

The ultimate objective of the ALTENER programme is to reduce emissions of carbon dioxide by 180 million tonnes for 2005 through developing renewable energy sources in the following way:

- increasing renewable energy sources' contribution to the coverage of total energy demand from nearly 4% in 1991 to 8% in 2005 (to achieve this objective, the production of renewable energy sources should rise from nearly 43 Mtoe in 1991 to approximately 109 Mtoe in 2005);
- trebling the production of electricity from renewable energy sources,

excluding large hydroelectric power stations (to achieve this objective, the capacity and electricity production of all power stations, excluding large hydroelectric power stations, using renewable energy sources should rise from 8 GW and 25 TWh in 1991 to 27 GW and 80 TWh in 2005);

- securing for biofuels a market share of 5% of total fuel consumption by motor vehicles (to achieve this objective, production in 2005 of 11 Mtoe of biofuels is deemed necessary).

The amount of Community financial resources deemed necessary for implementation of the programme is ECU 40 million for a programme lasting five years (1993 to 1997). This amount does not cover agricultural policy measures concerning biofuels.

Under this programme, the Community aims to provide financial support for actions such as studies and technical evaluations for defining technical standards or specifications; measures to support the Member States' initiatives for extending or creating infrastructures concerned with renewable energy sources; measures to foster the creation of an information network aimed at promoting better co-ordination between national, Community and international activities; and studies, evaluations and other appropriate measures for estimating the technical feasibility and the advantages to the economy and the environment of industrial exploitation of the biomass for energy purposes.

It is planned that the Committee will assume all costs arising from measures to define technical standards or specifications, while the level of financing for the other categories will in general amount to between 30% and 50% of the total cost of the action.

The Commission would be responsible for implementing the programme with the help of a Committee of representatives of the Member States.

SAVE programme

The Council took note of the progress report on the proposal for a Directive to limit carbon dioxide emissions by improving energy efficiency in the context of the SAVE programme.

The purpose of this proposal is to secure the attainment by the Member States of the objective of limiting carbon dioxide emissions by improving energy efficiency, notably by means of the following measures:

- energy certification of buildings;
- the billing of heating, air-conditioning and hot-water costs on the basis of actual consumption;
- promoting third-party financing for energy-efficiency investments in the public sector;
- thermal insulation of new buildings;
- regular inspection of boilers;
- regular inspection of vehicles;
- energy audits of businesses.

Following a brief exchange of views, the Council instructed the Permanent Representatives Committee to continue examining the proposal with particular reference to the Opinion of the European Parliament.

ENERGY/INTERNAL MARKET

Internal market in hydrocarbons

The Council held a policy debate on the proposal for a Directive on the conditions for granting and using authorizations for the prospection, exploration and extraction of hydrocarbons.

The purpose of this proposal is to ensure non-discriminatory access to the activities in question and non-discriminatory exercise of those activities in the context of completion of the internal market.

Following the debate, which made it possible to broach the main technical and



political questions raised by the Directive, the Council instructed the Permanent Representatives Committee to continue examining the proposal so that it could act at a forthcoming meeting.

Internal market in electricity and natural gas

The Council held a policy debate on the proposals for Directives concerning common rules for the internal market in electricity and natural gas, and reached the following conclusions:

"The Council:

1. Confirmed the importance it attaches to the completion of the Internal Energy Market. Energy is a vital component in the economy of the Community and the energy sector in all of its aspects must become part of the Single Market. It is therefore essential to work towards more open, transparent, efficient and competitive electricity and gas markets, while bearing in mind the specificities of electricity and natural gas and the different situations in Member States and while respecting the principles mentioned in paragraphs 3 and 4;
2. Noted that the directives on electricity and gas transit and price transparency are a step towards the creation of an Internal Energy Market but that other obstacles need to be removed;
3. Agreed that further progress towards the completion of the Internal Market should respect the following principles:
  - (a) Security of supply: has to remain the basic objective of energy policy. Member States should retain the ability to safeguard security of supply, including the ability
    - (i) to affect the choice of primary fuels for electricity generation;
    - (ii) to ensure sufficient long-term investment so that adequate capacity is available to meet demand, bearing in mind the long lead times for bringing on some types of new generation and transmission facilities; and
    - (iii) to maintain the safety and integrity of transmission and distribution systems while ensuring optimal dispatching of generating plants;
  - (b) Environmental protection: should be maintained at a high level. In particular, the progressive harmonization of environmental standards in the energy sector should continue. The completion of the Internal Market should be compatible with encouragement to the development of renewable energy and combined heat and power;

- (c) The protection of small consumers: should be ensured and cross-subsidies in favour of larger customers prevented, while maintaining public service obligations and the ability of Member States to regulate tariffs where appropriate;
  - (d) Transparency and non-discrimination should be progressively introduced, in parallel with the progress of the internal market, in the electricity and gas markets;
  - (e) Implementation: the wide differences between and within Member States existing energy systems should be recognized. Member States should continue to choose the structure and instruments best suited to their own circumstances. Any new Community legislation should be capable of being implemented, taking account of the specific situations in Member States, with a minimum of regulation;
  - (f) Transitional arrangements: should be sufficiently long to allow for careful planning and an orderly adaptation will be required;
4. Noted that account should be taken of significant differences in the gas sector as compared to the electricity sector, in particular:
- (a) a significant part of the Community's gas demand is supplied from outside the Community in conditions where suppliers are few, thereby increasing the need to safeguard security of supply;
  - (b) the arrangements for the internal market in gas need to ensure the maximum economic development over time and under fair conditions of the gas resources in the Community and sufficient supply from third countries;
  - (c) much of the Community gas demand is supplied under long term take or pay contracts which can contribute to the security of supply;
5. Noted that reservations have been expressed about important elements of the Commission's proposals, in particular about the general third party access (TPA) mechanisms but that the debate on the completion of the Internal Energy Market should be continued and that the Council would return to the issue at the next Energy Council;
6. Invited the Commission to consider modifications to its proposals in the light of the Council discussions and of the Opinion of the European Parliament, with the aim of achieving more competition in the internal energy markets, respecting the Member States' main responsibilities as regards the principles identified in paragraphs 3 and 4, taking account of the specificities of the gas and electricity sector and bearing in mind the different situations in Member States."

### Technical harmonization and standardization

The Council examined a communication from the Commission of 10 June 1992 on technical harmonization and standardization in the energy sector.

At the end of its discussion, the Council drew the following conclusions:

"The Council, in the light, also of its Resolution (92/C173/01) of 18 June 1992 on "the role of European standardization in the European economy",

- gave a favourable reception to the communication submitted by the Commission and welcomed the progress made so far in the various sectors;
- welcomed the Community's diversified approach to technical harmonization and standardization in the energy sector;
- approved the Commission's strategy as regards:
  - = further work on standardization, more particularly on the basis of international standards and those developed by European standardization organizations (CEN and CENELEC), allocating the available resources where they are most necessary;
  - = the need for greater standardization in a number of energy sectors and, where relevant, for work to improve technical harmonization, thereby removing barriers to trade and without hindering the development of technical progress."

### EUROPEAN ENERGY CHARTER

The Council took note of the progress report on the European Energy Charter and reached the following conclusions:

"The Council

1. Noted the encouraging progress which has been made in negotiating a Basic Agreement designed to put the commitments and principles in the European Energy Charter, signed in The Hague on 17 December 1991, into a legally binding form;
2. Reaffirmed the high priority attached by the Lisbon European Council to the development of close co-operation in the energy sector as a vital contribution to facilitating and accelerating the transition of the former centrally planned economies towards a market economy;

3. Welcomed the central role played by the Community and the Member States in the negotiations and the constructive participation of the other participating countries, notably the newly independent States of the former Soviet Union;
4. Recognized that some participating countries with economies in transition may need time to implement fully particular commitments and that any transitional arrangements should be limited in time and coverage and regularly reviewed;
5. Welcomed the financial, administrative and logistical support for the Charter Conference provided by the Commission, and noted the continued importance of that support as a concrete expression of the Community's central role;
6. Emphasized the need to conclude the Basic Agreement as soon as possible and proposed that the Charter Conference should set an early target date;
7. Looked forward also to the conclusion of binding sectoral protocols and welcomed the progress already made;
8. Asked that these conclusions be brought to the attention of the other negotiating parties.
9. Resolved that the Community should actively pursue the implementation of these conclusions."

#### RULES FOR AID TO THE COAL INDUSTRY

The Council took note of a Commission outline of the draft Community rules for State aid to the coal industry, for which Council assent will be requested.

These new rules for aid will replace, as from 1 January 1994, the framework established by Decision 2064/86/ECSC, which expires on that date.

Following an exchange of views, the Council instructed the Permanent Representatives Committee to embark on an examination of this topic in preparation for ministerial discussions next year.

MISCELLANEOUS DECISIONS

Anti-dumping

The Council adopted the Regulation imposing a definitive anti-dumping duty on imports into the Community of certain large electrolytic aluminium capacitors originating in Japan and collecting definitively the provisional anti-dumping duty. The rate of duty is 75% expressed as a percentage of the net free-at-Community-frontier price, except when the products are manufactured by the following companies for which the rate of duty is as follows:

- Elna Co. Ltd., Fujisawa City Kanagawa 35,8%
- Nippon Chemi-con Corporation, Toyko 11,6%
- Rubycon Corporation, Ina Nagano 30,1%.

Following a re-examination, the Council also adopted the Regulation exempting Inter-Cassette (Hong Kong) Ltd. from the definitive anti-dumping duty on certain imports of video cassettes originating in Hong Kong (Regulation No 1768/89 as last amended by Regulation No 1769/92).

EEC-Switzerland Transit Agreement

As the European Parliament had delivered its Opinion on 30 October 1992, the Council formally adopted the Decision concerning the conclusion of the Agreement between the Community and Switzerland on goods transit by road and rail.

The aim of this Agreement, which has been concluded for a twelve-year period, is to strengthen co-operation between the two Parties in certain sectors of transport, and that of trans-Alpine transit in particular.

The Community and Switzerland have therefore agreed to take co-ordinated action to promote the use of rail transport, and in particular combined transport, in the interests of public health and the environment, and improve market access to facilitate road traffic by appropriate means.

The scope of co-operation covers transport infrastructure, the support measures necessary for the development of rail transport and combined transport, market access and the permanent exchange of information regarding the development of the respective transport policies of the two Parties.

As the Council adopted the Decision concerning the conclusion of the transit Agreement with Austria on 27 November 1992, the two Alpine-transit Agreements between the Community on the one hand and Austria and Switzerland on the other could enter into force on 1 January 1993 as soon as the Contracting Parties have informed each other that the necessary procedures have been completed.

