

# European Communities

---

EUROPEAN PARLIAMENT

4417.1

+

4417.12

# Working Documents

1977 - 1978

---

14 November 1977

DOCUMENT 362/77

## Report

drawn up on behalf of the Committee on Energy and Research

on the proposals from the Commission of the European Communities to the  
Council (Doc. 158/77) for

- I. a regulation on the granting of financial aids to demonstration projects in the field of energy saving
- II. a regulation on the granting of financial support for projects to exploit alternative energy sources

Rapporteur: Mr R.W. BROWN

1.2.2



By letter of 8 June 1977 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposals from the Commission of the European Communities to the Council for

I. A regulation on the granting of financial aids to demonstration projects in the field of energy saving;

II. A regulation on the granting of financial support for projects to exploit alternative energy sources.

The President of the European Parliament referred these proposals to the Committee on Energy and Research as the committee responsible and to the Committee on Budgets for its opinion.

On 11 July 1977 the Committee on Energy and Research appointed Mr R. W. Brown rapporteur.

It considered the motion for a resolution and the explanatory statement at its meetings of 21 June, 11 July, 19 October and 2 November 1977 and unanimously adopted them at the meeting of 2 November.

Present: Mrs Walz, chairman; Mr Flämig, Mr Normanton and Mr Veronesi, vice-chairmen; Mr Brown, rapporteur; Mr Bersani (deputizing for Mr Ripamonti), Mr De Clercq, Mr Edwards, Mr Ellis, Mr Fuchs, Mr Giraud, Mr Van der Gun (deputizing for Mr Van der Mei), Mr Holst, Mr Jensen, Mr Noé, Mr Osborne, Mr Schwabe (deputizing for Mr Lezzi), Mr Vanvelthoven, Mr Zywietz.

The opinion of the Committee on Budgets is attached.

C o n t e n t s

	<u>Page</u>
A. MOTION FOR A RESOLUTION .....	5
B. EXPLANATORY STATEMENT .....	8
I. Introduction .....	8
II. Proposal on financial aids to demonstration projects in the field of energy saving ....	9
A. Objective of the proposal .....	9
B. Proposed means of implementing the proposal .....	9
III. Proposal on financial support for projects to exploit alternative energy sources .....	11
A. The proposals in general .....	11
B. Exploitation of geothermal resources ..	11
a. The proposal in a general energy policy context .....	11
b. Scope of the proposals .....	12
C. The proposal on aid for demonstration projects on coal gasification and liquefaction .....	14
a. Background to the proposal .....	14
b. Objective of the proposal .....	14
IV. Financial aspects of the proposals .....	15
V. Conclusions .....	16
Opinion of the Committee on Budgets .....	17

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

MOTION FOR A RESOLUTION

embedding the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- I. A regulation on the granting of financial aids to demonstration projects in the field of energy saving;
- II. A regulation on the granting of financial support for projects to exploit alternative energy sources;

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council<sup>1</sup>,
  - having been consulted by the Council (Doc. 158/77);
  - having regard to its previous resolutions, particularly those
    - on the objectives of the Community energy policy<sup>2</sup>;
    - on the need for and possible features of a Community policy to promote the production of gas from coal<sup>3</sup>;
    - on the possibilities and limits of a Community policy to promote the liquefaction of coal for the purpose of manufacturing synthetic fuels<sup>4</sup>;
  - having regard to the report of the Committee on Energy and Research and the opinion of the Committee on Budgets (Doc. 362/77);
1. Acknowledges that the Community is in a difficult and vulnerable energy supply situation, to remedy which effective and energetic measures must be taken;
  2. Recalls that one of the most important energy policy objectives is to promote the exploitation of the Community's internal sources of energy, primarily coal, and to encourage energy saving;

<sup>1</sup> OJ No. C 133, 11.6.1977, p. 5 et seq.

<sup>2</sup> OJ No. C 259, 4.11.1976, p.45 et seq.

<sup>3</sup> OJ No. C 155, 9.12.1974, p. 71

<sup>4</sup> OJ No. C 100, 3.5. 1976, p. 6

3. Stresses that energy saving and greater use of own energy resources are among the factors of supply and demand on the energy market that the Community itself can influence;
4. Welcomes therefore the Commission's proposals on aids for demonstration projects in energy saving techniques and for projects to exploit alternative energy sources, geothermal energy and coal gasification and liquefaction, the importance of which has often been stressed;
5. Draws attention to the fact that the measures proposed merely supplement existing energy policy measures and stresses that further action must continue to be taken on all aspects of the energy policy;
6. Emphasizes the fact that projects must be selected and assessed only after thorough analysis, since implementation of the regulations proposed is subject to major factors of uncertainty in the technological and economic spheres;
7. Emphasizes that all selection and management of projects must be effected in close cooperation with the Member States and that the projects must be related to national and Community R & D programmes and other plans;
8. Stresses that, even if good results are obtained from the demonstration projects in the field of alternative energy sources, their contribution to energy supplies must be regarded as marginal in the short term, i.e. up until 1990; in the medium and long term, however, i.e. from the year 2000 onwards, increasing importance will need to be attached to this contribution;
9. Proposes in view of the long lead times (10-15 years) of projects for coal gasification and liquefaction as also their cost, that the programme be assessed and, if necessary, revised after 7 years, and that the European Parliament should deliver its opinion on that revision;
10. Regards the proposed budgetary appropriations as necessary and reasonable, and welcomes the provision that aid shall be repaid in part in the event of commercial success;
11. Welcomes the fact that the Commission has incorporated in its proposals many of the proposals often put forward by the European Parliament;
12. Endorses the Commission's proposals as indicated above provided the Commission incorporates the following amendment in its proposal in accordance with the second paragraph of Article 149 of the EEC Treaty, although it stresses that the financial implications and staffing requirements indicated in the financial summary are presented merely as a guide for the financial year in question until examination of the budget has been completed and that they in no way bind or restrict the European Parliament in the exercise of its budgetary powers.

Proposal for a Council regulation on the  
granting of financial support for projects  
to exploit alternative energy sources

Preamble unchanged

Articles 1 - 7 unchanged

Article 8

The Commission shall report periodically on the application of this Regulation to the European Parliament and to the Council, which shall both express an opinion on the report.

Article 8

The Commission shall report periodically on the application of this Regulation to the European Parliament and to the Council, which shall both express an opinion on the report.

The application of the regulation on aid for coal gasification and liquefaction projects shall be subject to review at the end of the seventh year so that any changes to the implementing provisions thereby found necessary may be effected. The Commission shall report on its review to the European Parliament, which shall deliver an opinion on the report.

Article 9 unchanged

<sup>1</sup> For complete text see OJ No C 138, 11.6.1977, p.5 et seq.

EXPLANATORY STATEMENTI. INTRODUCTION

1. It should by now have become unnecessary to justify either the submission of the Commission's proposals, or our attitude to them. It was already clear before the oil crisis, which merely served to underline the fact, that the Community is in a highly vulnerable position as regards its energy supplies. Some Member States are almost totally dependent on imported energy.

2. Recognition of this fact has produced a continuous stream of resolutions and declarations of intent from the three Community institutions on the need to alter the balance between the energy supplied by the four major sources, coal, oil, gas and nuclear power.

As it is also clear that the objectives cannot be achieved in the short term, particularly having regard to nuclear power's contribution to energy supplies, and as any reduction in energy consumption would place in jeopardy vital areas of modern life, the Community must have recourse to the two most obvious forms of action, maximum exploitation of its own energy sources, its large reserves of coal and maximum saving of energy. Indeed, the latter must always be an objective in itself.

3. While there has never been any doubt as to the attitudes of the Commission and the European Parliament towards vigorous action in the field of energy policy, the Council has experienced great difficulty in translating declared aims into practical policy. Unfortunately, current negotiations on the budget seems to confirm once again the inability of the Council to shape the Community's future in the field of energy, or even to mitigate the worst effects of a future grave energy crisis that now seems inevitable.

4. The measures proposed by the Commission, viz. (1) aid to demonstration projects in the field of energy saving, and (2) support for projects to exploit alternative energy sources, are among the several measures proposed to safeguard energy supplies and consistently supported by the European Parliament. Both proposals aim at reducing the imported energy requirement, primarily oil and derivative products.

While the first proposal is of immediate interest, the second is more significant in the long term, if only because of the time factor in the execution of the programme. The proposals are complementary in that they both aim at narrowing the gap between demand (saving) and supply (alternative sources) of energy, which will probably widen alarmingly if suitable measures are not taken.



II. PROPOSAL ON FINANCIAL AIDS TO DEMONSTRATION PROJECTS IN THE  
FIELD OF ENERGY SAVING

A. Objectives of the proposal

5. This proposal may be regarded as an addition to proposed measures and measures already adopted for the rational use of energy. The energy savings which can thus be achieved have been emphatically pointed out in two reports adopted by the Committee on Energy and Research.<sup>1</sup>

6. In pursuance of the overall objective, the saving of energy, the Commission proposes financial aid for demonstration projects of energy-saving techniques, which in fact means the marketing of them. It is thereby hoped to dispel the uncertainty felt by both manufacturers and consumers about the economic viability and technical feasibility of these techniques. There seem to be a number of techniques whose energy-saving effectiveness has been established beyond reasonable doubt at research and development level; the proposed demonstration projects are to prove the viability of the techniques in an industrial context.

B. Proposed means of implementing the proposal

7. The Commission suggested the following examples of possible demonstration projects:

- (a) heat pumps
- (b) heat recovery
- (c) the combined production of heat and power
- (d) energy storage
- (e) projects for reducing waste in industry
- (f) low-energy houses

8. The Commission states that these particular projects were selected after two years of discussions with experts from the Member States. It is also emphasized that, apart from combined heat and power production, these projects are suggestions and that other projects may be considered. The committee can therefore endorse the choice of areas, remarking that a gratifying - but also necessary - degree of flexibility seems to have been provided for.

9. Each proposal for a demonstration project is evaluated as to its commercial viability, suitability for general application and benefits in terms of energy saving. This will ensure not only the best use of Community

<sup>1</sup> See report by Mr ELLIS, Doc. 314/76 (Resolution: OJ No C 259 of 4.11.1976) and report by Mr PINTAT (PE 49.445 of 4.7.1977)

funds but also makes it possible to establish a real order of priority among the projects, something which the rapporteur regards as highly important, so that the Community projects can truly serve as reference projects and thus support and encourage national efforts. Here, as in other areas, there must be coordination of work in the Community and the Member States and with R and D policy in general.

10. The Committee on Energy and Research expresses its satisfaction with the proposals, which cover a reasonable range of potentially successful energy-saving projects. The committee has frequently drawn attention to the relevance of the individual projects.

11. This applies particularly in the case of the combined production of heat and power. In power generation a disproportionate amount of energy (about 50%) is wasted in cooling processes. The committee considers it fully justified to give this area priority.

12. The committee also regards some of the other suggested demonstration projects as highly valuable. However, the rapporteur considers that low-energy houses should be given low priority, not because they are not worthwhile but because a number of experiments are already in progress, some on such a scale as to have demonstrated the value of low-energy houses produced in industrial quantities, even though further development is desirable and possible. These experiments have been carried out in widely varying climatic conditions. In the rapporteur's view the Commission could limit its activity in this area to ensuring the exchange of information on current experiments, unless special circumstances call for actual demonstration projects.

13. An Advisory Committee on the Management of Demonstration Projects, consisting of representatives of the Member States, acting jointly with the Commission, will select demonstration projects to receive financial aid from the Community.

The Commission has stated that there is already valuable collaboration with the Member States in this area, and the proposal under consideration is evidence of this. Positive cooperation is also necessary to provide the Commission with information on the use of Community funds (in addition to the obligatory project reports and the Commission's right to examine the accounts at all times).

14. The committee cannot stress too strongly the importance of this cooperation, which can both ensure that projects are carried out that meet the requirements of Community and Member States' energy programme and contribute to the most effective dissemination of the information derived from results. Only in this way can the Community projects be justified, as

they are intended to serve as yardsticks for the value of energy -saving techniques.

15. As has already been said, the committee supports this proposal. It is justified from considerations of energy supply, and of private and national economics, and may be regarded as a response to repeated proposals by the European Parliament.

### III. PROPOSAL ON FINANCIAL SUPPORT FOR PROJECTS TO EXPLOIT ALTERNATIVE ENERGY SOURCES

#### A. The proposals in general

16. The main reasons quoted for giving aid to demonstration projects in the field of energy saving are also eminently applicable to this proposal, that is, to demonstrate the technical feasibility and economic viability of new techniques, in this case for the exploitation of alternative energy sources, more specifically those calculated to develop the Community's own sources of energy as a substitute for imported energy.

17. The Commission proposes financial support over a 10-15 year period for demonstration projects concerning:

- the exploitation of geothermal fields and
- the gasification and liquefaction of coal.

Whereas the explanatory memorandum also mentions support for certain types of equipment for advanced nuclear reactors, they are not dealt with in 'Financial implications'. They should, of course, fall under the schemes for promoting substitute energy production, and are therefore covered by other Community schemes, including direct action projects.

#### B. Exploitation of geothermal resources

##### a. The proposal in a general energy policy context

18. Energy from geothermal fields has been exploited since the beginning of this century, but, in general, only sporadically and, where exploitation has been possible, using comparatively simple techniques, involving relatively low investment in production and distribution facilities.

19. However, the energy crisis has given new importance to efforts to obtain reliable geological data on location and potential of geothermal fields within the Community, and to promote the development of extraction and production techniques.

20. Collection of geological data and research into exploration methods are already in progress under national and Community research and development programmes<sup>1</sup>. The Commission is now proposing to follow this up by giving financial support to the subsequent development phases, i.e. exploration for and exploitation of geothermal fields. The Commission proposal may therefore be regarded as naturally consequential on current research initiatives.

b. Scope of the proposals

21. The Commission does not try to conceal the fact that there are considerable technological and economic uncertainties involved in the exploitation of geothermal energy. Many of the calculations must still be based on laboratory experiments. This may deter undertakings from investing in production borings and actual production plant which itself entails substantial outlay.

22. This is given as another reason for the Commission's intention to intervene at this stage in the exploitation of geothermal energy. The Commission plans to support national projects which, through their use of new techniques and materials, etc., may constitute an object of reference for other projects in the Community as a whole. As in the earlier proposal, the catalyst effect is adduced.

23. Apart from certain areas of the Community, particularly in Italy and France, where there has been most progress in the exploitation of geothermal energy because of natural features which ensure its profitability, there is considerable uncertainty about the economic viability of this form of energy in the Community. However, certain preliminary surveys give cause for hope that results may be positive.

24. There are in particular two types of geothermal source being exploited at present: high-enthalpy and low-enthalpy sources, i.e. fields of steam and/or water at temperatures between 150 and 200°C, and below 150°C respectively. While high-enthalpy fields can be used for electricity generation, low-enthalpy fields are used chiefly for the heating of dwellings and for certain industrial and agricultural purposes.

25. The profitability of a geothermal field depends on a number of technical and economic factors. The rapporteur proposes to leave aside technical matters, concentrating instead on some of the economic aspects of the Commission's remarks.

---

<sup>1</sup>OJ No. L 231, 2.9.1975

Thus it is stated that the 'value of the heat drawn from the earth is obviously equivalent to the cost of the energy which it is able to substitute', and that the cost of geothermal 'fuel' used for electricity generation is less than the cost of fuel burnt in the conventional power station<sup>1</sup>.

26. These calculations are based primarily on existing practice and knowledge. The rapporteur considers that calculations in respect of the future, with which the Commission document must be primarily concerned, must be subject to reservations having regard to at least two factors of uncertainty. The first is that favourable assessments of profitability must be based on an assumption that new and improved methods of exploitation can be developed, so that optimum use can be made of existing energy potential (perhaps including sources more difficult of access). Only through trial drillings and pilot plant can more precise information be obtained; this being so, the schemes proposed by the Commission must be welcomed, as they will enable these assumptions to be confirmed or disproved.

The second is that the Commission's views on the economics of the matter are based on an assumption of price trends for the energy sources which geothermal energy will or may replace.

27. The rapporteur would like to underline the significance of these factors of uncertainty, which is further pointed up by the long lead time involved in the development and exploitation of geothermal energy.

28. The rapporteur therefore stresses the necessity for thorough analysis of all proposed projects, not only as to their technical aspects, but also their profitability.

Furthermore, as substantial amounts of Community funds are involved, which is to a certain extent inevitable in view of the considerable investment required, the Committee on Energy and Research must insist that, in the widest possible measure, results of programmes must be usable in large areas of the Community.

29. In the light of the above, the rapporteur feels obliged to emphasize his view that implementation of the regulation is beset by technical and economic uncertainties. His support for the Commission's proposals is therefore tempered with doubt as to the value of geothermal energy, reinforced by the relatively certain fact that the contribution of geothermal energy sources

---

<sup>1</sup> Commission document, annex 1, p. 3

to energy supplies must be regarded as no more than marginal and can only represent a small percentage even in the longer term. The Commission should therefore rigorously evaluate every proposed project.

C. The proposal on aid for demonstration projects relating to coal gasification and liquefaction

a. Background to the proposal

30. A number of experiments are already in progress at national level, that is to say in the coal-producing countries of the Community, on the gasification and liquefaction of coal in order to utilize the Community's own energy resources, which are extensive, to produce energy, which is present only in limited quantities or has to be imported. This statement, though something of a commonplace, does contain hard economic facts which, in the light of the Community's general energy policy, cannot be ignored.

The Committee on Energy and Research welcomes the proposal for this reason, and also because the Commission, in putting it forward, has taken heed of the committee's comments and proposals in its two own-initiative reports on these subjects<sup>1</sup>.

b. Objective of the proposal

31. Like the two proposals discussed above, this proposal for financial support is based on the considerable uncertainty surrounding the use of a number of processes for gasification and liquefaction of coal on an industrial scale. A number of processes are already known and have been developed, some of them through research and development work on a Community basis, but require substantial refinement if they are to be made profitable. Several processes are still at the laboratory stage, and only pilot projects can determine whether they can be used industrially. Substantial investment will be required if these technical problems are to be solved. This calls for international cooperation, which the Commission hopes to promote through its projects. The long lead time makes support even more necessary.

32. The technical aspects of the proposal will not be discussed here, as they have already been dealt with in depth in the committee's previous reports on the subjects.

33. Another factor in favour of the proposal is its use of the Community's own sources of energy, which is to be encouraged to the greatest possible extent. Furthermore, coal reserves are enormous. Good results could make

---

<sup>1</sup> See BURGBACHER reports, Docs. 325/74 and 407/75

it possible to use seams which, with conventional mining methods, are difficult to exploit.

34. These prospects alone seem sufficient to justify financial support. But we should not lose sight of the numerous factors of uncertainty. Current extraction processes cannot yet guarantee competitive prices for the substitute energy produced, and the quality of several products still leaves much to be desired. This proposal, too, leaves the rapporteur in some doubt, but this could largely be removed if nuclear heat were used for the chemical conversion processes. The Commission should therefore make this an important factor in its selection of projects.

The comments already made on future price trends in the energy market also apply here.

35. Despite these reservations on the economic prospects for the liquefaction and gasification of coal, the proposals can be supported. However, as substantial Community funds and relatively long-term programmes are involved, the rapporteur feels that the implementation of the regulation should be assessed during the course of the programme. This would permit revision of the programme in the light of progress and results. The rapporteur would suggest a review after seven years or at about half way through the programme.

#### IV. FINANCIAL ASPECTS OF THE PROPOSALS

36. The rapporteur would once again like to emphasize the point already made several times in the foregoing that the contribution which alternative energy sources can make to energy supplies must be deemed marginal in the short term, i.e. up until 1990. On the other hand, it also needs to be pointed out that if good results are obtained from research and development work of the kind proposed by the Commission, alternative energy sources will acquire growing importance in the medium and long term, i.e. from the year 2000 onwards.

37. Another fundamental characteristic is that contracts for pilot projects include an undertaking to repay a proportion of the support granted under specific circumstances, particularly commercial success.

38. The proposal for aid to energy-saving projects, covering a three-year period, calls for a total of 144 m EUA (indexed figure). The proposal on the use of geothermal energy, which provides for a five-year exploration and exploitation phase, suggests an appropriation of 100 m EUA (index value, about 83 m EUA at 1977 prices) for 15 - 30 projects. For projects related to the gasification and liquefaction of coal, an amount of some 20 m EUA per year (1977 prices) over a 10-15 year period is proposed.

39. These are substantial appropriations, but the committee takes the view that they are reasonable amounts given the considerable investment called for. The provision for the whole or partial repayment of aid in the event of commercial success as a result of these demonstration projects is to be welcomed.

#### V. CONCLUSIONS

40. The Committee on Energy and Research has continually emphasized the importance of initiating and encouraging measures which may lead to energy saving. Taking an overall view of energy policy, even measures whose contribution to energy supplies seems to be marginal, whether from a supply or an economic standpoint, must nevertheless be welcomed.

41. All three proposals to support and encourage energy-saving measures are thus justified on the basis both of energy policy objectives and increased self-sufficiency and a reduction in dependence on energy imported from outside the Community. The committee recognises the considerable factors of uncertainty involved in the implementation of these proposals and their prospects for commercial success. However, this is a further reason for encouraging national efforts.

42. Despite the doubts expressed at several points above, the Committee on Energy and Research can, as has been made clear, endorse the Commission's proposal, hoping thereby to help achieve a better Community balance between energy supply and demand. The aim here is to exert a positive influence on some of the few energy factors which the Community itself can influence. This is one of the most fundamental reasons for the European Parliament's endorsement of the Commission's proposals.



OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman to Mrs Hanna WALZ, Chairman of the  
Committee on Energy and Research

Brussels, 4 November 1977

Subject: Proposals from the Commission of the  
European Communities to the Council for

I. A regulation on the granting of financial  
aids to demonstration projects in the field of  
energy-saving

II. A regulation on the granting of financial  
support for projects to exploit alternative  
energy sources (Doc. 158/77)

Dear Mrs Walz,

At its meeting of 3 November 1977, the Committee on Budgets considered the above proposals. The proposed regulations form part of a larger package of specific programmes for energy-saving as set out in a communication from the Commission to the Council of 24 February 1977 (COM (77) 39 final). The proposals are based also on a series of Council decisions aimed at reducing the Community's dependence on energy imports from third countries to less than 50%, and if possible to 40%, by 1985 (1974 = 61%). This target is to be achieved through

- (1) a regulation on the granting of financial aids to  
demonstration projects in the field of energy-saving.

This proposal for a regulation concerns Article 324 of the budget. The proposal calls for 144m EUA for the total programme, spread over a five-year period. Some of the money requested could be provided on the condition that it is paid back if the project is successful. This would enable the funds to be reallocated.

The amounts entered for 1978 were, respectively:

- Commission's preliminary draft (same as in proposal for a regulation)
  - \* 17m EUA payment authorization
  - \* 45m EUA commitment authorizations
- Council draft
  - \* token entry

- Parliament's amendment
  - ° 5m EUA payment authorizations
  - ° 10m EUA commitment authorizations
  
- (2) a regulation on the granting of financial support for projects to exploit alternative energy sources.
  - (a) As regards the projects to exploit geothermal resources, the following amounts for 1978 are called for under item 3242<sup>1</sup>:
    - Commission's preliminary draft
      - ° 2m EUA payment authorizations (proposal for a regulation : 1.8m EUA)
      - ° 9.8m EUA commitment authorizations
    - Council's draft
      - ° deletion of the line
    - Parliament's amendments
      - ° 2m EUA payment authorizations
      - ° 7m EUA commitment authorizations
  - (b) Gasification and liquefaction of coal (item 3241)
    - Commission's preliminary draft
      - ° 9m EUA payment authorizations (proposal for a regulation : 6m EUA)
      - ° 16m EUA commitment authorizations
    - Council draft
      - ° deletion of the line
    - Parliament's amendments
      - ° 3m EUA payment authorizations
      - ° 8m EUA commitment authorizations

The financial sheet contains precise proposals for repaying the grants only in respect of the projects to exploit geothermal resources. The Committee on Budgets requests precise information in respect of the projects on the gasification and liquefaction of coal.

---

<sup>1</sup> Article 323 and 327 in the financial sheet should read : items 3241 and 3242

In conclusion, the committee once again welcomes the Commission's proposals as part of an overall energy saving policy, as called for by Parliament and Commission for many years, and, as regards the financial implications, notes with particular approval the undertaking to repay under certain circumstances a part of the grants and regards this as a guarantee that the funds, by being reallocated, will be put to optimum use.

As regards proposals for improving insulation of houses, the committee took note of an undertaking given by representatives of the Commission that consultation would take place with the Association of Municipal Councils and appropriate local authorities bodies as to the feasibility of these proposals.

The Committee on Budgets considers it a positive feature of both Commission proposals that direct on-the-spot controls are also provided for. Therefore, the committee is able to deliver a positive opinion<sup>1</sup> on both proposals, with the reservations expressed above.

Yours sincerely,

Lord BESSBOROUGH  
Acting Chairman

---

<sup>1</sup> Present: The Earl of Bessborough, acting-chairman; Mrs Dahlerup-Anderson, Mr Dalyell, Mr Delmotte (deputizing for Mr F. Hansen), Mr Hamilton, Mr Schreiber, Mr Shaw, Mr Vanvelthoven and Mr Würtz.

