

COMMISSION OF THE EUROPEAN COMMUNITIES

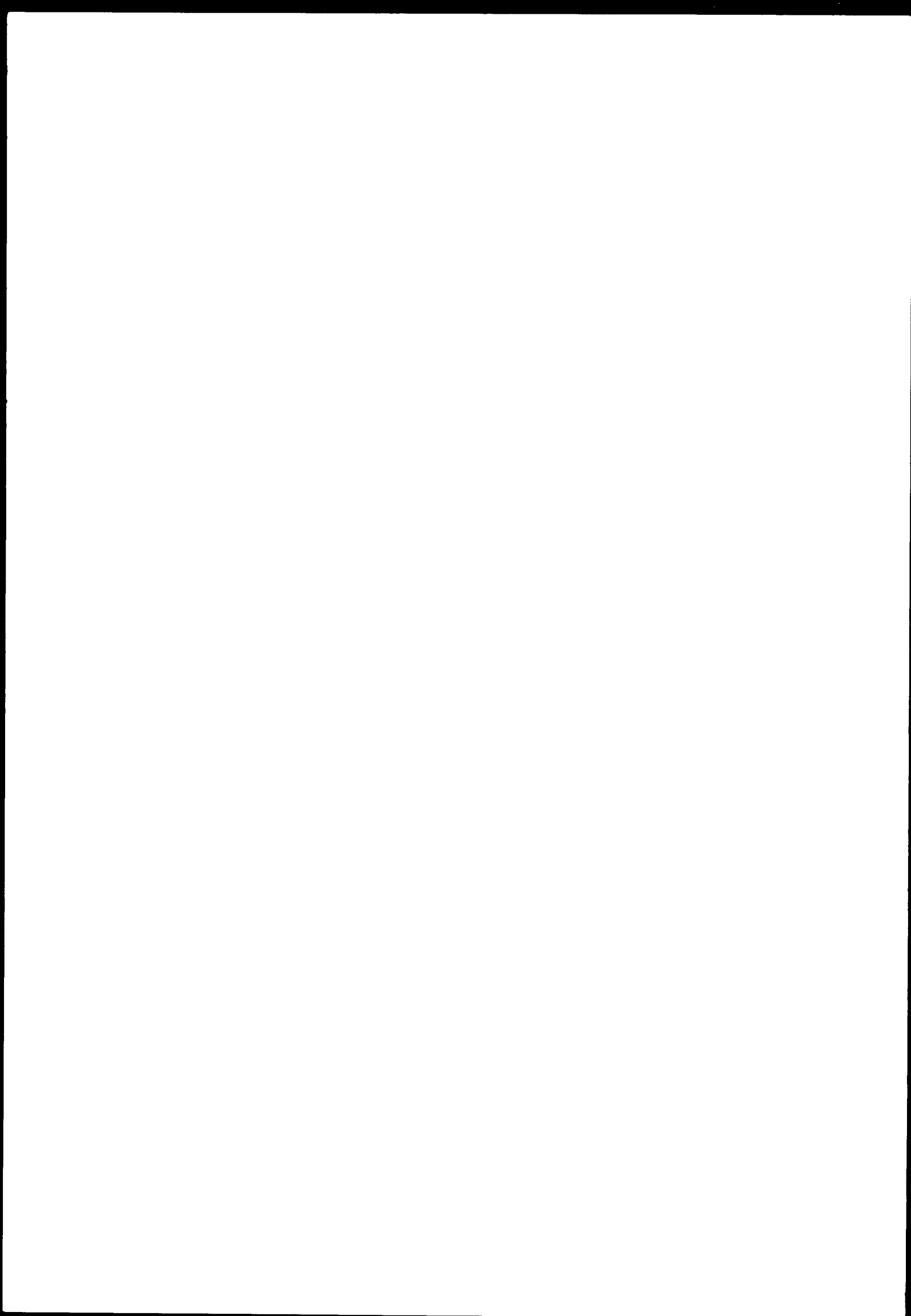
COM(85) 143 final

Brussels, 1 April 1985

FIRST REPORT FROM THE COMMISSION TO THE COUNCIL AND TO THE EUROPEAN PARLIAMENT

on the application of Council Regulation (EEC) No 1890/84 of
26 June 1984 introducing special measures of Community
interest relating to energy strategy

COM(85) 143 final



FIRST REPORT FROM THE COMMISSION TO THE COUNCIL
AND TO THE EUROPEAN PARLIAMENT

on the application of Council Regulation (EEC) No 1890/84 of 26 June 1984 introducing special measures of Community interest relating to energy strategy¹.

1. Introduction

This report covers the period from 4 July 1984, when Council Regulation (EEC) No 1890/84 entered into force, to 31 December 1984.

2. Preparation of the Commission Decisions

2.1 As required by Article 2(2) of the Regulation, the Federal Republic of Germany and the United Kingdom put to the Commission a series of measures connected with their energy projects or schemes over a given period, together with all the information which the Commission needed in order to assess them.

The Commission thereupon examined the measures in the light of the criteria laid down in Articles 2, 3 and 4 of the Regulation and selected several, which it regarded as making a significant contribution towards achieving the Community's energy policy objectives, to receive Community assistance totalling an estimated 255 million ECU in the case of the United Kingdom and 201 million ECU for the Federal Republic of Germany. In line with Article 4(4) of the Regulation, all the measures selected had been started before 1 January 1983 and formed part of projects or schemes still to be completed when the Regulation entered into force.

2.2 As required by Article 8 of the Regulation, the draft Decisions were submitted to the Advisory Committee set up by Article 7, along with fact sheets on each of the measures selected.

On 26 July 1984 the Advisory Committee gave the required opinions, both of them endorsing the substance of the Decisions.

1 OJ No L 177, 4 July 1984.

2.3 In October 1984, once the Budgetary Authority had given its approval, the appropriations to pay this Community financial assistance were transferred from Chapter 100 of the 1984 Budget ("provisional appropriations") to budget heading 707 ("Energy policy - specific Community measures relating to energy strategy").

3. Commission Decisions of October 1984

3.1 On 17 October 1984 the Commission was then able to adopt two Decisions granting financial assistance - one to 14 measures submitted by the United Kingdom, the other to 9 from the Federal Republic of Germany (see Tables 1 and 2 in the Annex). Both these Decisions were published in the Official Journal of the European Communities, as required by Article 4(5) of the Regulation².

3.2 In line with Articles 4(3) and 4(4) of the Regulation, the amount of financial assistance paid by the Community (see the Tables set out in the Annex) was calculated as a percentage of the planned public expenditure on the measures selected over the following periods:

- the 1984 calendar year in the case of all the German measures except Measure No 4 ("coking coal scheme"), where the 1983 expenditure was also taken into account; this is additional expenditure not covered by any financial assistance paid under the 1983 special measures scheme;
- from 1 January 1983 or 1 April 1983 to 31 March 1984 in the case of the United Kingdom, except for Measure No 4 ("Richborough windmill"), on which work did not start until 1984.

In cases where the same measure receives other Community aid (e.g. subsidies or loans) in addition to the financial assistance granted under Council Regulation (EEC) No 1890/84, Article 4(3) of the Regulation states that the total Community contribution, from all sources combined, must not exceed 60% of the public expenditure on the measure.

Beneath this 60% ceiling, the amount of aid granted depends on the inherent nature and merits of each of the measures chosen.

² OJ No L 283, 27 October 1984.

4. Payment of advances

By the time the Commission took its two Decisions, the Federal Republic of Germany and the United Kingdom had already certified, as required by the first part of Article 5(2) of the Regulation, that they had committed all the public expenditure earmarked for each of the measures selected, with the exception of the Richborough windmill measure in the United Kingdom.

As required by the second part of Article 5(2), the Commission also ascertained that all the measures selected - except for the Richborough windmill - had been started as required by the Regulation.

Once all these conditions had been satisfied, on 25 October 1984 the Commission paid two advances, in line with the procedure set out in Article 5(2) of the Regulation:

- 229.33 million ECU to the United Kingdom, i.e. 90% of the total Community contribution to all the measures selected, apart from the Richborough windmill which received an advance of only 50% of the total financial assistance granted;
- 180.9 million ECU to the Federal Republic of Germany, i.e. 90% of the total Community contribution to all the measures selected.

5. Forthcoming verification measures

In November 1984 the Commission asked the two Member States concerned for financial and technical data on the steps taken to implement the measures in receipt of Community support so that it could update, complete and check the data in its hands and prepare for the on-the-spot checks to be carried out in the first quarter of 1985. The findings of these checks will be described in a subsequent report.

A N N E X

TABLE 1

No	Name	Type	Public expenditure (million ECU (*)	Community support (as % of 4)	Other Community financing		Total Community financing (as % of 4)	Support in accordance with Regulation (EEC) No 1890/84 (million ECU)
					Grants (as % of 4)	Loans (as % of 4)		
(1)	(2)	(3)	(4)	(5) (*)	(6) (*)		(7) (*)	(8)
1	Grimethorpe	Fluidized bed combustion of coal	6,24	50	—	—	50	3,12
2	Technology Offshore	Programme for the development of offshore technology	8,76	50	—	—	50	4,38
3	Longannet	Coal-fired electricity generation : environment and recovery	2,53	50	—	—	50	1,26
4	Richborough	Windmill	0,84	50	—	—	50	0,42
5	Westfield	Coal gasification	17,02	25	28	—	53	4,25
6	Power stations	Programme to improve nuclear and coal-fired electricity generation	163,49	10	—	—	10	16,35
7	Hunterston B	Changes to nuclear power plant	0,34	10	—	—	10	0,03
8	Cross Channel Link Kent	Electricity interconnection	173,60	40	—	17	57	69,44
9	Fort Dunlop — west Midlands	Combined heat and power production	14,02	25	—	—	25	3,50
10	Drax	Coal-fired power station	235,96	29,8	—	1,5	31,3	70,35
11	Morecambe — Lancs.	Natural gas terminal	67,42	20	—	—	20	13,48
12	Rough — Yorkshire	Natural gas terminal	50,56	20	—	—	20	10,11
13	Dinorwic — Gwynedd	Pumped storage power station	18,54	10	—	41	51	1,85
14	Heysham II — Lancs.	Nuclear power station Advanced gas-cooled reactor	564,63	10	—	—	10	56,46
							Total	255,00

(*) Percentages shown are indicative.

(*) Rate of exchange : 1 ECU : £ 0,59331 (rate of June 1984).

TABLE 2

No	Name	Type	Public expenditure (million ECU (*)	Community support (as % of 4)	Other Community financing		Total Community financing (as % of 4)	Support in accordance with Regulation (EEC) No 1890/84 (million ECU)
					Grants (as % of 4)	Loans (as % of 4)		
(1)	(2)	(3)	(4)	(5) (')	(6) (')		(7) (')	(8)
1	'Rohrreaktor' Salzgitter	Coal liquefaction	4,67	50	—	—	50	2,33
2	VEW — KUV	Coal gasification	8,96	50	—	—	50	4,48
3	MKW Völklingen	Coal-fired power station with fluidized bed combustion	4,03	50	—	—	50	2,02
4	Coking coal scheme	Aid for production	604,58	19,27	—	—	19,27	116,50
5	SNR 300 Kalkar	Fast breeder reactor	169,28	25	—	—	25	42,32
6	THIR-300 Schmehausen	Thorium fuelled high-temperature reactor	113,75	25	—	—	25	28,44
7	Chauffage Université Aachen	Pressurized fluidized bed (pilot installation)	3,48	50	—	—	50	1,74
8	Rheinbraun	Hydrogasification of lignite in a fluidized bed (pilot installation)	5,27	50	—	—	50	2,64
9	Saarbergwerke	Utilization in an underground mine of gypsum formed during flue-gas desulphurization (pilot installation)	1,06	50	—	—	50	0,53
							Total	201,00

(*) Percentages shown are indicative.

(') Rate of exchange: 1 ECU = DM 2,23296 (rate of June 1984).