

COM-4/047

Brussels, 29 November 2001

**OPINION**

of

the Committee of the Regions

of 15 November 2001

on the

**Commission's Green Paper**

*Towards a European strategy for the security of energy supply*

(COM(2000) 769 final)

**The Committee of the Regions,**

**HAVING REGARD TO** the Commission's Green Paper "Towards a European strategy for the security of energy supply";

**HAVING REGARD TO** the decision by its Bureau on 13 June 2000 to draw up, under paragraph 5 of Article 265 of the Treaty establishing the European Community, an Opinion on the *Green Paper: Towards a European strategy for the security of energy supply* and to instruct Commission 4 - Spatial Planning, Urban Issues, Energy and Environment - to draw up the relevant opinion;

**HAVING REGARD TO** the Committee's Opinion on the Communication from the Commission to the Council and the European Parliament on "Preparing for Implementation of the Kyoto Protocol", (CdR 295/99 fin)<sup>1</sup>;

**HAVING REGARD TO** the Committee's Opinion on the Proposal for a Directive of the European Parliament and of the Council on the promotion of electricity from renewable energy sources in the internal electricity market (CdR 191/2000 fin)<sup>2</sup>;

**HAVING REGARD TO** the Committee's Opinion on the Communication from the Commission to

the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on an Action Plan to Improve Energy Efficiency in the European Community (CdR 270/2000 fin)<sup>3</sup>;

**HAVING REGARD TO** the Communication from the Commission to the Council and the European Parliament completing the internal energy market and a Proposal for a Directive of the European Parliament and of the Council amending Directives 96/92/EC and 98/30/EC concerning common rules for the internal market in electricity and natural gas (COM(2001) 125 final);

**WHEREAS** it is important for the European Union to ensure energy-supply security on a long-term basis, whilst respecting environmental concerns and meeting the commitments on reduction of greenhouse gas emissions it entered into at Kyoto;

**WHEREAS** as many players as possible, including local and regional authorities should be involved, in a European strategy for the security of energy supply, with particular emphasis on demand management and development of renewable and decentralised energy sources;

**WHEREAS** the Draft Opinion (CdR 38/2001 rev. 2) was adopted by Commission 4 on 8 October 2001 (rapporteur, **Mr Roelants Du Vivier** (Senator, Vice-President of the Brussels Parliament, B/ELDR));

**adopted the following opinion unanimously at its 41st plenary session on 14 and 15 November 2001 (meeting of 15 November 2001):**

### **The Committee of the Regions' viewpoint**

#### **The Committee of the Regions**

1. Welcomes the Commission's Green Paper "Towards a European strategy for the security of energy supply". The question of security of energy supply merits particular attention, especially at a juncture when the liberalisation of energy markets risks engendering a short-term approach to energy issues.
2. Is pleased to see that the three pillars of the European Union's energy policy - economic competitiveness, the environment and security of supply - are considered together and given relatively equal weight; the opening of energy networks to competition focused more on the issue of competitiveness.
3. Notes with pleasure that the Green Paper incorporates some of the Committee's foremost concerns, as set out in the opinions listed above in the preamble, which have consistently called for these proposals to be "*presented together in the same policy document, thereby increasing the coherence of the Union energy policy*" (CdR 270/2000 fin).
4. Welcomes the fact that the document covers the Europe of the 30, including the applicant countries, most of which have energy efficiency problems which must be overcome.
5. Welcomes the Green Paper's two key priorities, namely controlling energy demand and developing renewable sources of energy, issues on which the Committee of the Regions has reiterated its interest on many occasions. The Committee particularly welcomes the Green Paper's statements that "*The Union must rebalance its supply policy by clear action in favour of a demand policy*" and that "*Only a policy geared to controlling demand can lay the foundations for a sound energy supply security policy*". (question 1)

6. Is nonetheless concerned about the scope of the means proposed for averting problems "*if no measures are taken*" in view of:
- the absence of quantified energy savings targets, despite their considerable potential (although, as is frequently the case in supply policies, quantified targets *were* set for renewables in the White Paper and draft Directive);
  - the absence of forward-looking energy scenarios at EU level describing the impact a proactive policy for energy consumption control would have on consumption patterns;
  - the weakness of the proposals from the perspective of "horizontal policies", which appear to be limited to technological and fiscal measures; with the exception of pilot operations, which are also useful and must be promoted but have a limited impact, the only measure referred to in the context of influencing energy demand is taxation. (*question 9*)
7. Welcomes the priority given to development of renewable sources of energy, which are presented as "the key to change", and the mention of the need for financial measures (state aid, tax incentives and financial support) in order to develop renewables. (*question 7*)
8. Therefore considers that co-financing of development aid for renewable (flow) energies by the fossil and nuclear energy industries (stored energies) would be an economically justified response to the genuine competition disadvantages with which renewable energies have to contend. (*question 7*)
9. Emphasises that a policy more oriented to demand management and to renewable, decentralised energy sources also requires the refocusing of attention and action on new types of players at all levels and in all fields: from researchers to consumers, including enterprises, building contractors, architects, transport companies, planners, and civil society associations, all of whose decisions influence ultimate energy consumption patterns. (*questions 9 and 13*)  
**Application of the subsidiarity principle in the field of energy supply is a crucial issue if one really wants to take account of all local and regional energy saving potential and local resources.**
10. Highlights the key role played by local and regional authorities in framing and implementing a policy of this kind, which will rely heavily on stimulating action at local level. A *demand culture* and *supply culture* must develop in tandem: in other words, all those involved, members of the public as well as industrialists and mayors, will need to know the potential energy savings for which they are individually responsible and be encouraged to establish "action plans" to optimise this potential. Financial and human resources, both at EU and national levels will need to be reallocated accordingly. (*question 13*)
11. Considers that the measures for implementing a policy on demand management and promotion of decentralised energies have largely already been identified. The real issue is how to translate them into reality. This is a matter of joint political decision-making on the part of the EU and the Member States, in conjunction with all the players involved, including local and regional authorities. It will primarily involve:

- setting quantified, and if necessary binding, targets which can be tailored to local actors, including local and regional authorities;
  - introducing a raft of legal, fiscal, regulatory, organisational, technological and incentive measures, so designed that they can be integrated into the decision-making systems of the widest possible number of players;
  - introducing a requirement that Action Plans for improving energy efficiency and developing decentralised energy sources be introduced at different territorial levels (EU, Member States, regions, municipalities etc.) and in different sectors (transport, construction, industry, agriculture);
  - a policy to promote co-generation, including on a small and medium scale;
  - a large-scale information campaign to counterbalance the energy industry's promotion of increased consumption, probably combined with controls on its advertising;
  - supporting human resource development locally in order to secure a better balance - as required by the market - between measures to develop energy supply on the one hand and measures to manage demand and decentralised energy sources on the other. (*question 9*).
12. Takes note of the statement that "*the contribution of atomic energy in the medium term must be analysed*" on the basis of such factors as the decision by most Member States to relinquish this sector, the fight against global warming, security of supply and sustainable development. (*question 8*)
  13. Would point out that energy - particularly electricity - transport networks must also meet environmental requirements. The negative impact of these networks on the environment must not be underestimated and the regions concerned must be involved in any projects at the earliest possible stage. (*question 6*)
  14. Shares the Commission's view that agreements with the producer countries are the best means of ensuring physical security of supply, but stresses that the EU's security of supply is interconnected with that of all consumers on the planet, particularly consumers in emerging and developing countries. Consequently, the transfer of energy saving and renewable energy technologies and techniques to these countries, under both international and decentralised cooperation schemes, should be regarded as an integral part of our own security policy. (*questions 1 and 4*)
  15. Looking towards sustainable development, considers that it is not only a moral obligation for the industrialised northern countries to share the planet's fossil energy resources, which they have hitherto monopolised, but also a wise political step towards world peace, and suggests that the EU propose international cooperation projects, especially with developing countries and the countries of central and eastern Europe, in the context of sustainable development "for all". (*questions 1 and 4*)

## Recommendations

### The Committee of the Regions

16. Considers that there are at least four arguments for integrating energy in a chapter of the EU Treaty:
- the integration of energy policies, particularly under the impact of creation of the internal energy market;
  - compliance with the international agreements jointly entered into by the EU and the Member States, particularly on climate protection;
  - the need to infuse impetus into policies to control energy demand and develop renewables;
  - as the leading global economic power, the European Union has the weight to influence international policies towards a sustainable energy policy, provided it speaks with a single voice. (*question 2*)
17. Calls on the Commission to offset the "*if no measures are taken*" scenario evoked several times in the Green Paper by **other scenarios** showing what would happen "*if a proactive policy were implemented*" in the areas of demand management, development of renewable and decentralised energy sources and relaunch of nuclear power; these scenarios should incorporate the role of local and regional authorities as systematically as possible. (*questions 9 and 13*)
18. Considers that, **to boost the credibility** of making demand management the top policy priority, the contents of this policy need to be much more clearly defined, the **Action Plan** for improving energy efficiency **needs to be more ambitious** and more integrated into both sectoral and territorial policies, and the Community programmes supporting it, particularly SAVE, need to be brought into line with these new ambitions. (*question 9*)
19. Suggests that consideration be given to an **Energy Efficiency Framework Directive**, - with subsidiary directives on buildings, transport, equipment, etc. similar to what has been done with the directive on electricity from renewable sources. The directive, covering the points outlined above, should commit Member States to quantified energy efficiency targets and be accompanied by action plans and corresponding measures, within the overall framework of a policy agreed and implemented in cooperation with local and regional authorities. Territorial energy saving plans at national, regional and local level would alert and mobilise a range of players needed to implement a proactive policy on demand management and development of renewable and decentralised resources, needing the stimulus of "demand" for technology from contracting authorities in the public and private sector. (*questions 9 and 13*)
20. Suggests that, under the aegis of the European Commission, energy efficiency **experts** be

mobilised as soon as possible from the various EU countries to hone the details of the demand policy which the Green Paper defines as the central pillar of the Union's energy strategy: i.e. the steps which need to be taken in the areas of legislation and regulation, institutions and human resources, financial and tax incentives, information, training and research programmes at community and national level (including in the applicant countries). (*questions 9 and 13*)

21. Reiterates its view that a policy oriented towards controlling demand at European level **needs to have a fiscal dimension - based on energy consumption and greenhouse gas emissions**, but knows from experience that a broad spectrum of measures and aid is necessary to implement this kind of policy. In particular, the financial support measures which the Green Paper recommends for renewable energies ought also to be applied to energy savings. (*question 3*)
22. Suggests that **demand management** ought to be given more priority in the forthcoming directive amending Directives 96/92/EC and 98/30/EC on common rules for the internal market in electricity and natural gas, as one of the public service obligations in the area of sustainable development (energy efficiency, combined production of energy and heat, renewable energy sources, energy taxation, facility of access of local distribution networks to transport networks). (*question 9*)
23. Suggests that the Green Paper complement the policy on promoting renewable energy sources - addressed in the recent common position (COD 2000/00116) of the Parliament and the Council in view of the Directive on the promotion of electricity from renewable sources - by giving more attention to the contribution of **renewables to heat generation**, rather than simply, as is generally the case, to the production of electricity. Biomass, geothermal, solar and thermal power, amongst others, have a major impact at local and regional, urban and rural levels and offer considerable potential in this area. Greater heed must be given to this policy, which must not be confined, as is often the case, to the production of electricity. Particular attention should be given to integrating a "renewable energy" component in new buildings and those undergoing major renovation and, more broadly, in all decisions relating to buildings and transport. Community support programmes, particularly ALTENER, should be brought into line with these ambitions. (*question 7*)
24. Suggests that the concept of **security of supply for EU consumers** be included in future Community documents on the Electricity and Gas Directives, in the context of a public service which must be universally available and which might - in a broad sense - become a fourth pillar of Community energy policy.
25. Suggests that, taking account of the Green Paper's emphasis on environmental concerns, the risks of nuclear accidents and pollution should be integrated into the analysis, at the same level as the fight against global warming; and that the use of coal, which has its disadvantages from the point of view of the greenhouse effect but presents undeniable advantages in terms of security of supply, of longevity of resources and of the development of "clean" European channels on international markets, and should not be dismissed out of hand (*question 8*).
26. Suggests that an "emergency plan for reducing energy use" **in the CEECs** should be incorporated as a full component of the EU's strategy for the security of energy supply, with the involvement of local and regional authorities in these countries and the promotion of decentralised co-operation between local and regional authorities, as a fully-fledged tool for transferring know-how and bringing about adoption of the *acquis communautaire*.
27. Calls for the **networks of local authorities specialising** in the energy field and working towards a sustainable energy policy, to be fully involved in the planning and implementation

of measures and dissemination of the relevant information. (*question 13*)

Brussels, 15 November 2001.

The President

The Secretary General

of the

of the

Committee of the Regions

Committee of the Regions

**Jos Chabert**

**Vincenzo Falcone**

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