

Conventional energy sources and energy technology

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The European Parliament adopted a resolution based on the own-initiative report drafted by Herbert **REUL** (EPP-ED, DE) on conventional energy sources and energy technology, in response to the Commission's Communication entitled "Sustainable power generation from fossil fuels: aiming for near-zero emissions from coal after 2020". Pointing out that, unless preventive measures are taken, the EU's dependency on imports of fossil fuels will increase to 65% of total consumption by 2030, Parliament welcomed the Commission's communications on sustainable power production from fossil fuels, on the European Strategic Energy Technology Plan and on the Nuclear Illustrative Programme. It stressed that improving energy efficiency makes a major contribution to sustainability and security of supply, and also considered it important, in view of the increasing scarcity of resources, to diversify energy sources. Parliament noted the importance for security of supply of nuclear fission and the possible future importance, for some countries, of nuclear fusion. Further improvements in the efficiency of fossil fuel power plant technology are essential, as are further improvements in the safety standards of nuclear power plants, the rapid development of nuclear fusion technology and corresponding increases in research funding. It stated that the successful reduction of greenhouse gas emissions from the energy sector can only be achieved on the basis of increased use of low carbon technologies such as nuclear energy, clean coal and renewables. Member States and regional and local authorities must diversify and decentralise energy generation using the most appropriate resources taking account of specific regional characteristics. Parliament emphasised that market distortions will continue to be seen in the internal energy market until the polluter-pays principle is applied to energy policy. Accordingly, Member States were urged to internalise within energy prices all external costs, including all environmental and follow-up costs.

Energy technology: Parliament insisted that sustainable energy supplies to the EU could only be achieved with significant research efforts and changes in consumer behaviour. It noted that Europe leads the world in R&D in innovative energy technologies, including energy efficiency and renewables, and is, in particular, a leader in the area of nuclear fusion technologies. The Commission, Member States, the regions, and other stakeholders were urged to utilise the opportunities offered by cohesion policy and to invest in new energy technologies, both in renewable energy sources and in sustainable fossil fuel technologies ("low-emission power plants"). Parliament called on the EU, Member States and businesses to redouble their efforts in R&D in the field of energy, particularly with a view to enhancing the efficiency of energy production and supply, reducing environmental consequences, improving the safety of existing technologies, developing storage techniques for renewables and developing new generations of nuclear reactors and new energy technologies, including nuclear fusion. Parliament welcomed the Commission's announcement that it intends to submit the European Strategic Energy Technology Plan to the 2008 Spring European Council. However, it questioned where the funding for the Plan will come from. It called on the Commission to support synthetic fuels technology, and noted that public funding to support start-ups for new energy technologies should be appropriate in amount, should take into account their level of commercial viability and should end at the latest once the new technologies thus supported have become competitive. Members stressed that it would be in the interests of combating climate change to meet, as a minimum requirement, the Lisbon objectives and to propose an internationally agreed minimum percentage of budget revenue to be earmarked for research.

Fossil Fuels: fossil fuels will have to be used in the long term for electricity production until basic needs can be met from renewables. Parliament stressed the contribution which can be made to security of supply by indigenous energy sources, particularly the large coal reserves and the substantial untapped oil and gas reserves in some Member States and Norway. Greater efforts must be made to curb emissions from fossil

fuel power production and to increase its efficiency, inter alia, by supporting the development of combined heat and power (CHP) Parliament noted, nevertheless, that some European power stations are already among the most efficient in the world. The Commission should encourage investments in CHP production. Highly efficient CHP could achieve double the efficiency of a normal coal-fired condensing plant. Parliament regarded it as unwise, from the point of view of security of supply and cost-efficiency, to hamper the construction of the most efficient coal-fired power stations by giving the wrong market incentives. It then called on the Commission, when checking the operation of the emissions trading system, to ensure that proper account is taken of the specific problem of the heat generation market, which largely consists of individual burners (boilers) fired by fossil fuels and which, given the small size of the burners, is not covered by the emissions trading system. Members called for existing fossil fuel-fired power plants to improve their energy efficiency and environmental performance.

With regard to carbon capture and storage (CCS), Parliament called on the Commission rapidly to submit a proposal for legislation on CCS so as to respond to the legal issues surrounding the storage and transportation of CO₂ and thus establish the basis for investment security in connection with such projects. It called on the Commission to assess the potential risks from CCS and lay down requirements for the licensing of CCS activities and for adequately managing the risks and consequences identified. The report insisted that, while the possibilities for geological storage as part of CCS technology are being studied, it must be ensured that CO₂ is stored safely and permanently in locations that do not allow leakages of carbon back into the atmosphere. It took the view that demonstration projects relating to clean-coal technologies must be carried out in areas where there is a tradition of coal mining and which are suffering the consequences of conversion plans and have been affected by the financial framework 2007-2013.

Parliament warned against unilateral dependence on particular gas suppliers or supply routes, and stressed the importance of liquefied natural gas in the context of the diversification of gas imports. It urged the Commission to carry out more extensive geological research aimed at finding new deposits of fossil fuels within the territory of the Member States, and regretted that the Commission did not discuss in more detail security of oil supply in the context of the energy package, and calls on it to issue a communication on this topic. It pointed out that fossil fuels represent an important substratum which could be the basis for the large-scale production of hydrogen, both as an energy carrier and as a fuel.

Nuclear Energy: Parliament emphasised that nuclear energy is indispensable if basic energy needs are to be met in Europe in the medium term. Nuclear energy is an important component of power supply in 15 of the 27 Member States, and thus for the Union as whole, providing one third of the total EU electricity supply. Research funding in the nuclear energy sphere today is largely concentrated in the area of safety-related technology. The report noted that Finland, France, Bulgaria, Romania, Slovakia, Lithuania (with the collaboration of Latvia and Estonia), the United Kingdom, Poland and the Czech Republic are building new nuclear power plants or are planning to build them or are investigating such a possibility. Nuclear energy is currently the largest low-carbon energy source in Europe and Parliament stressed its potential role in combating climate change. The decision of each Member State for or against nuclear energy remains in its exclusive competence, but may have an impact on electricity price trends in other Member States. Short and medium term decisions on the use of nuclear power will also directly affect the climatic goals that the EU might realistically set. Abandoning nuclear power will make it impossible to achieve the objectives set regarding reductions in greenhouse gas emissions and the combating of climate change. The Commission is invited to propose measures designed to maintain in the EU the high level of skills required if the nuclear energy option is to remain a viable one.

Parliament stressed that known global uranium reserves are estimated to be sufficient for more than 200 years, and that these reserves make feasible some future options to diversify political risks to security of supply or make it possible to reach compromises between risk, price and location in selecting sources of nuclear fuels. Nuclear energy generation will be largely unaffected by any fluctuations in the price of uranium, since the cost of that fuel has little impact on the price of electricity. In view of the long

investment lead times, Parliament stressed the need for a stable legal and political framework. There was a need for an open public dialogue on nuclear energy in every Member State in order to stimulate public awareness of the positive and negative effects of nuclear power before any political decisions are taken.

The Commission and Member States were called upon to finally make progress on the issue of final disposal in order to bring an end to the interim storage of waste close to the earth's surface.

Lastly, Parliament recalled that dozens of nuclear power plants are planned or being built worldwide, and that it is vital for European companies to be involved in their construction, both from the point of view of industrial strategy and in order to promote the most stringent possible safety principles throughout the world.