European Union energy policy. Green Paper

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The Committee adopted the report by Mr W.G. van VELZEN (PPE, NL) on the Commission's Green Paper with 6 abstentions. The Committee started by noting that the internal energy market was having trouble operating because it was dominated by national actors (generators, distributors, large and small users etc.) and by the national authorities. The first priority therefore was to safeguard long-term security of energy supply and create the conditions needed in order to promote competition and deregulation of the market and optimize pricing and the provision of services. In the absence of a joint energy policy in the Treaty, this could only be achieved if the European Union played a more important role. Policies for organizing the energy market and commercial relations with third countries, stocks, research etc. were therefore needed. A chapter on energy to be included in the Treaty on European Union - the objectives. The Committee on Energy, Research and Technology felt that the Commission and the Council needed to indicate clearly what the European Union's long-term policy was in the energy sector and the points at which it needed to converge with the Member States' energy policies. The Commission was called upon, on the basis of article 130, to propose a framework which would enable a short- and medium-term balance to be found between the 3 main objectives, viz.: security of supply, competitive prices and environmental protection, in consultation with the various sectors of society (enterprises, small and large users etc.). This legislative framework for energy policy needed to be coherent and to be incorporated in the Treaty on European Union when it was next revised. This chapter on energy needed to incorporate the provisions of the ECSC and EURATOM Treaties and the Energy Charter, together with provisions governing the trans-European energy networks. The Commission was called on to include a proposition to this effect in the White Paper which is was due to submit to the intergovernmental conference. The European Union should continue to regulate the energy market, in order to guarantee environmental safety, public service and environmental protection, but regulation should be kept to a minimum so as to allow the deregulated internal market to operate flexibly. If there was to be a real internal market, the market rules needed to be defined quickly and the market gradually implemented. The Committee reiterated the main principles which should inform this action: - competition between electricity generation companies; - respect for missions of general economic interest and public service missions, especially at distribution level, while safeguarding the principles of competition; - stronger cooperation between the various interested actors, subject to price transparency; - transparency of accounts, especially of vertically-integrated companies; - possibility for new actors (e.g. decentralized energy providers) to carve out a place in the energy market while encouraging renewable sources of energy; - promotion of transparent harmonized taxes on energy prices and between various raw materials; - network access based on reciprocity, protection of public service missions and long-term contracts; - guaranteed consumer interests. Diversifying supply: the Committee called on the Commission to create the conditions needed in order to strengthen the diversification policy, thereby safeguarding long-term supply, by: - promoting renewable sources of energy in order to reduce CO2 emissions; - creating structures which would strengthen cooperation in the energy sector with Russia, the CEECs and the countries of the Mediterranean basin, Africa, Central Asia and the Black Sea; - defining a Community programme on energy efficiency, energy savings and renewable sources of energy; - making an effort to defend combined heat and power generation vis--vis the more reticent Member States; - developing as wide a range as possible of the energy sources to be used; - creating an environment which fostered investment in energy sectors. The Committee stressed the need for increased security of nuclear energy as part of the effort to diversify and therefore called on the Commission to promote research with a view to: - developing "new advanced-type nuclear reactors" with a very high level of security; - guaranteeing safe processing of waste; - recycling MOX fuel; - developing medical nuclear technology and related applications; - creating aid facilities for CEECs in order to optimize electricity supply sources; - continuing research into thermo-nuclear fusion; The Commission and the Member States were also called on to adopt a binding programme with an explicit timetable for reducing CO2 emissions by implementing programmes to develop and promote renewable sources of energy, new energy saving programmes (SAVE II) etc., together with a programme to reform the

ecological tax. The Committee considered that the European Union's task in the energy sector was to: - formulate a coherent joint energy policy, taking account of the position of the relevant authorities in each Member State and other interested public- or private-sector actors in accordance with the principle of subsidiarity; - strengthen the energy diversification policy; - encourage deregulation and gradually reinforce the energy market; - define European environmental policy by setting out the objectives to be achieved with regard to energy efficiency, energy savings etc.; - group and encourage research programmes and demonstration projects at national and Union level, while developing techniques for the efficient exploitation of sources of energy; - step up Community and national efforts in order to develop endogenous renewable energy sources; - create the right conditions for trans-European energy networks; - define an energy programme in consultation with the CEECs and the countries of the Mediterranean, Africa, Central Asia and the Black Sea; - create the right conditions for energy investments in order to stimulate employment, strengthen the economy and help to protect the environment. The Commission was invited to: - define a clear link between the 3 objectives; - carry out an analysis of the energy market by clearly stating what its role and the role of the other actors would be; - present a new SAVE II programme, together with a new version of the THERMIE II programme, with increased budgetary appropriations; - submit proposals for cooperation in the energy sector with third countries; - release more funds for research and development of renewable energies; This report will be used to fuel the debate to be held by the Committee on Energy, Research and Technology tomorrow in the form of a colloquium organized with the European Energy Foundation entitled "European Energy Policy: from the Green Paper to the White Paper".