An overall view of energy policy and actions

1997/2071(COS) - 23/04/1997 - Non-legislative basic document

OBJECTIVE: clarify current Community policy in the field of energy and propose new initiatives with a view to strengthening cooperation between the Member States in this area. SUBSTANCE: the European Union's energy policy is already based on a wide range of programmes and legal instruments. For this reason, the Commission is for the first time presenting an overall view of the main components of energy policy. This energy policy outline also covers actions taken in cooperation with Member States and those taken by the Union itself, together with the financial aspects (details of annual budgets for Community energy actions and programmes). Communication also sets out the major challenges facing the Union in the relatively near future. The spectacular increase in the external energy dependency of the European Union. It currently stands at 50% and could increase by 2020 to as much as 70%, 80% and 90% for natural gas, coal and oil respectively. The growing need to ensure more competitive energy prices: compared with the United States, European industry pays far more for energy. For instance, it is estimated that in the chemical sector European companies pay up to 45% more than their US competitors. However, prospects look encouraging in the energy sector and it is expected that the forthcoming liberalization of the electricity market will provide substantial benefits amounting to ECU 10-12 m per annum. The introduction of third party access in gas would also lead to a cost reduction of ECU 9 m per annum; The need to render energy and environmental objectives more compatible, particularly in view of the Union's undertakings concerning climatic change (in March 1997, the Council set as an objective a 15% reduction in greenhouse gas omissions by the year 2010). The development of 'clean and efficient' energy technologies: it is necessary to strengthen security of supply and diversify energy sources while achieving energy savings. In order to achieve this, it is necessary to ensure closer links between the different stages of research and development and improve cooperation between Member States. Two lessons can be drawn from this analysis: 1. Further measures must be taken in the energy sector to meet more effectively the significant forecast increase in external dependence and the objectives regarding competitiveness and the environment. It is necessary to achieve a better targeting of Community actions on the basis of priority objectives and to optimise the utilization of financial resources to encourage synergies and identify areas where energy measures can be improved. 2. Efforts should be made to achieve clarification and simplification to satisfy more effectively the Union's priorities in this area through definition of a new legal basis to achieve a more efficient energy policy and to give it a higher profile.