

Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	1995/0208(COD) Procedure lapsed or withdrawn
Electricity and gas distribution sectors: rational planning techniques	
Subject 3.60.03 Gas, electricity, natural gas, biogas	

Key players			
European Parliament	Former committee responsible		
	ENER Research, Technological Development and Energy	PSE MCNALLY Eryl Margaret	17/10/1995
	Former committee for opinion		
	ECON Economic and Monetary Affairs, Industrial Policy	ELDR WATSON Sir Graham	18/12/1995
	JURI Legal Affairs, Citizens' Rights	UPE SCHAFFNER Anne-Marie	24/01/1996
	ENVI Environment, Public Health and Consumer Protection	V LANNOYE Paul A.A.J.G.	21/02/1996
Council of the European Union	Council configuration Energy	Meeting 1921	Date 07/05/1996

Key events			
20/09/1995	Legislative proposal published	COM(1995)0369	Summary
19/01/1996	Committee referral announced in Parliament, 1st reading		
07/05/1996	Debate in Council	1921	Summary
03/09/1996	Vote in committee, 1st reading		Summary
03/09/1996	Committee report tabled for plenary, 1st reading	A4-0268/1996	
11/11/1996	Debate in Parliament		Summary
12/11/1996	Decision by Parliament, 1st reading	T4-0580/1996	Summary
24/03/1997	Modified legislative proposal published	COM(1997)0069	Summary

22/09/1999	Vote in committee, 1st reading		
22/09/1999	Committee report tabled for plenary confirming Parliament's position	A5-0008/1999	
06/10/1999	Decision by Parliament, 1st reading	T5-0040/1999	Summary
11/12/2001	End of procedure in Parliament		
11/12/2001	Additional information		Summary

Technical information

Procedure reference	1995/0208(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 175-p1
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway

Legislative proposal	COM(1995)0369 OJ C 001 04.01.1996, p. 0006	20/09/1995	EC	Summary
Economic and Social Committee: opinion, report	CES0544/1996 OJ C 204 15.07.1996, p. 0078	24/04/1996	ESC	Summary
Committee of the Regions: opinion	CDR0002/1996 OJ C 337 11.11.1996, p. 0041	12/06/1996	CofR	
Committee report tabled for plenary, 1st reading/single reading	A4-0268/1996 OJ C 320 28.10.1996, p. 0003	03/09/1996	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0580/1996 OJ C 362 02.12.1996, p. 0021-0065	12/11/1996	EP	Summary
Modified legislative proposal	COM(1997)0069 OJ C 180 14.06.1997, p. 0037	24/03/1997	EC	Summary
Reconsultation	SEC(1999)0581	28/04/1999	EC	
Committee final report tabled for plenary, 1st reading/single reading	A5-0008/1999 OJ C 107 13.04.2000, p. 0004	22/09/1999	EP	
Text adopted by Parliament confirming position adopted at 1st reading	T5-0040/1999 OJ C 107 13.04.2000, p. 0028-0063	06/10/1999	EP	Summary

Additional information

European Commission	EUR-Lex
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Electricity and gas distribution sectors: rational planning techniques

OBJECTIVE: to introduce new planning techniques in the electricity and gas distribution sectors, which will help improve energy efficiency, cut costs and reduce CO2 emissions. SUBSTANCE: The proposal for a Council directive provides for Member States: - to introduce procedures by which gas and electricity distribution companies periodically submit integrated resource plans to appropriate authorities appointed by the Member States. These plans are to evaluate the whole range of energy resource alternatives on the same economic basis; - to arrange for the implementation of economic measures relating to energy efficiency, as identified on the integrated energy-resource plan; - to review current

legislation to ensure that the mechanisms put in place allow companies to cover the costs of the energy-saving programmes which are offered to consumers; - to encourage distribution companies to: . set up comprehensive information programmes to enable consumers to make rational choices in respect of energy efficiency; . offer customers incentives to invest in energy-efficient solutions; . develop energy-use management programmes which are designed for customers on low incomes; . invest in energy efficiency by setting up subsidiaries which offer consumers mechanisms for third-party financing; - to promote the integration of energy-use management options in the tendering procedures for the new distribution capacities, where these procedures exist. - Member States are to cooperate with the Commission in examining the results of the measures taken on the basis of the directive; this review will be carried out every two years and will last for a period of eight years commencing in 1997. ?

Electricity and gas distribution sectors: rational planning techniques

The Committee endorses the Commission's objective of reducing CO₂ emissions. Gas and electricity undertakings shall contribute to the achievement of this objective by taking economic initiatives to improve customers' energy use efficiency. The Committee would only support the Commission text if it incorporated the following amendments: - the action will be implemented at Member State level. The proposal should reflect the different structures in the Member States and the steps taken towards market liberalization. The purpose of the Directive is to provide the framework for implementation; - it is necessary to look beyond the objective of stabilizing CO₂ emissions at their 1990 level by the year 2000. It is also important to improve end-use energy efficiency through the application of rational planning techniques (the term preferred by the ESC) to the supply and distribution functions. Integrated Resource Planning (IRP) is a US term applied to demand management and is not regarded as appropriate for the EU; - small-scale decentralized (localized) CHP/co-generation has an important role to play in demand management as it can improve end-use energy efficiency; - the distribution and supply functions should be differentiated.?

Electricity and gas distribution sectors: rational planning techniques

The Council took note of the progress that had been made on the proposal for a directive. During the initial examination of the proposal the delegations stated that they were generally in agreement with the Commission as to the objective to be attained. However, opinions differed on the method of procedure, with several delegations preferring an approach that took greater account of the principle of subsidiarity, including giving Member States the option of introducing agreements on a voluntary basis.

Electricity and gas distribution sectors: rational planning techniques

The need for a legislative framework for rational planning techniques to improve the electricity and gas distribution sectors was acknowledged in the energy and research committee when it adopted a report by Eryl MCNALLY. The EPP, however, would have preferred to see the goal achieved through a recommendation rather than binding legislation. According to the Committee, the directive should contribute to both stabilizing carbon dioxide emissions and improving the competitiveness of the European economy by achieving a reduction in energy use. Because of the dual aim it should be based on Article 100a (internal market) instead of 130s (environment) thus coming under the co-decision procedure. The Commission, however, considers the protection of environment a priority instead of the internal market. The Committee is proposing that competent national authorities with the co-operation of the energy suppliers and relevant consumer groups publish plans evaluating energy resource alternatives. They should also examine whether the measures are being undertaken and review legislation to ensure that companies are able to recover expenditure on energy-efficient programmes offered to customers. These measures should not affect the competitive position of electricity and gas in relation to other energy sources. Another amendment from the committee is seeking to ensure that the member states use regulatory mechanisms so that electricity and gas companies provide energy services at the lowest cost to customers. In addition, customers should have clearly identifiable costings of energy and energy services provision. ?

Electricity and gas distribution sectors: rational planning techniques

The rapporteur, Mrs McNally (PSE, UK), called for a programme to be set up to assess the progress of energy efficiency measures. She vigorously opposed the adoption of a simple recommendation in this area, as the voluntary approach would not be as effective as the constraining impact of a directive. Commissioner Papoutsis welcomed the meeting of minds between Parliament and the Commission and said that he could accept the first part of Amendment No 5, Amendments Nos 6 to 10, the second part of Amendment No 12 and Amendment No 13, aside from the part dealing with the competent authority.

Electricity and gas distribution sectors: rational planning techniques

In adopting the report by Mrs Eryl MCNALLY (PSE, UK), Parliament amended the proposal for a Council Directive to introduce rational planning techniques in the electricity and gas distribution sectors. It challenges the legal basis chosen by the Commission (Article 130s of the EC Treaty, environment), preferring Article 100a of the EC Treaty (internal market) which permits implementation of the codecision procedure. The EP proposed that with the cooperation of the energy producers and the relevant consumer groups, the competent national authorities should publish integrated plans which evaluate the whole range of energy resource alternatives. Such authorities should also examine whether the actual economic measures are being undertaken and review existing legislation to ensure that the companies can cover the costs of the energy-saving services to customers. Such measures should not adversely affect the competitive position of electricity and gas in relation to other energy sources. Another amendment aims at ensuring that the Member States set up regulatory mechanisms such that the services provided by the gas and electricity distribution companies are as inexpensive as possible. Customers should have clearly identifiable costings of energy and energy services provision. ?

Electricity and gas distribution sectors: rational planning techniques

The Commission's amended proposal incorporates, in whole or in part, nine of the fourteen amendments tabled by Parliament at first reading. In the light of these amendments, the main changes to the original proposal are as follows: - the relevant national authorities are to publish strategic development plans evaluating all the substitute energy sources. These authorities will also verify whether the necessary economic measures have been taken and review the existing legislation so as to ensure that companies can cover the costs of the energy-saving programmes proposed to the consumers; - there will be a guarantee that Member States will introduce rules to ensure that the services provided by gas and electricity distribution companies are priced as cheaply as possible. Clients should have a clear idea of the breakdown of the costs of energy supply and distribution. The Commission has, however, not accepted Parliament's view that the legal basis should be changed (Parliament had proposed Article 100a of the EC Treaty as the legal basis, whereas the Commission proposes Article 130s). ?

Electricity and gas distribution sectors: rational planning techniques

The European Parliament confirmed its first reading in the context of the codecision procedure of the text voted upon on 12.11.1996 concerning this proposal for a directive.?

Electricity and gas distribution sectors: rational planning techniques

The Directorates General or responsible departments have asked for this proposal to be withdrawn. The reasons are indicated as follows: A) for objective reasons (change of de facto situation, objectives already achieved by other means, etc) B) because the Commission has now adopted another approach : - the proposal is replaced implicitly, - a new proposal is in preparation, - no planned replacement.?