

# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">2001/2071(COS)</a>	Procedure completed
Energy : European strategy for the security of supply. Green Paper		
Subject 3.60 Energy policy 5.05 Economic growth		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	<b>ITRE</b> Industry, External Trade, Research, Energy		09/01/2001	
		PPE-DE <a href="#">CHICHESTER Giles</a>		
	Committee for opinion	Rapporteur for opinion	Appointed	
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.		
	<b>JURI</b> Legal Affairs and Internal Market	The committee decided not to give an opinion.		
European Parliament	<b>ENVI</b> Environment, Public Health, Consumer Policy		10/04/2001	
		PPE-DE <a href="#">AYUSO Pilar</a>		
	<b>RETT</b> Regional Policy, Transport and Tourism	The committee decided not to give an opinion.		
Council of the European Union	Council configuration	Meeting	Date	
	Industry	<a href="#">2433</a>	06/06/2002	
	Energy	<a href="#">2394</a>	04/12/2001	
	Energy	<a href="#">2347</a>	14/05/2001	
	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">2324</a>	20/12/2000	
European Commission	Commission DG	Commissioner		
	Energy and Transport			

Key events			
01/12/2000	Non-legislative basic document published	COM(2000)0769	Summary
20/12/2000	Debate in Council	<a href="#">2324</a>	
02/05/2001	Committee referral announced in Parliament		
14/05/2001	Resolution/conclusions adopted by Council		Summary
16/10/2001	Vote in committee		Summary

16/10/2001	Committee report tabled for plenary	<a href="#">A5-0363/2001</a>	
13/11/2001	Debate in Parliament		
15/11/2001	Decision by Parliament	<a href="#">T5-0609/2001</a>	Summary
15/11/2001	End of procedure in Parliament		
04/12/2001	Debate in Council	<a href="#">2394</a>	Summary
06/06/2002	Debate in Council	<a href="#">2433</a>	
13/06/2002	Final act published in Official Journal		

### Technical information

Procedure reference	2001/2071(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/14639

### Documentation gateway

Non-legislative basic document	<a href="#">COM(2000)0769</a>	01/12/2000	EC	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0705/2001</a> <a href="#">OJ C 221 07.08.2001, p. 0045</a>	30/05/2001	ESC	
Committee report tabled for plenary, single reading	<a href="#">A5-0363/2001</a>	16/10/2001	EP	
Text adopted by Parliament, single reading	<a href="#">T5-0609/2001</a> <a href="#">OJ C 140 13.06.2002, p. 0382-0543 E</a>	15/11/2001	EP	Summary
Committee of the Regions: opinion	<a href="#">CDR0038/2001</a> <a href="#">OJ C 107 03.05.2002, p. 0013</a>	15/11/2001	CofR	
Follow-up document	<a href="#">SEC(2001)1962</a>	03/12/2001	EC	Summary
Follow-up document	<a href="#">COM(2002)0321</a>	26/06/2002	EC	Summary

## Energy : European strategy for the security of supply. Green Paper

**PURPOSE:** to launch a debate during 2001 on the security of energy supply. **CONTENT:** The Green paper is based on the premise that the European Union (EU) is consuming more and more energy and importing more and more energy products. However, Community production is insufficient for the Union's energy requirements. As a result, external dependence for energy is constantly increasing. If no measures are taken, in the next 20 to 30 years, 70% of the Union's energy requirements, as opposed to the current 50%, will be covered by imported products. In particular, enlargement will exacerbate these trends. Environmental concerns, which are nowadays shared by the majority of the public, have highlighted the weakness of fossil fuels and the problems of atomic energy. As for the struggle against climate changes, this is a major challenge. The commitments made in the Kyoto Protocol are only a first step. The EU has reached its objective in 2000 but greenhouse gas emissions are on the rise in the Union as in the rest of the world. As regards consumption rates, the energy debate should take into account that current energy demand is covered by 14% oil, 22% gas, 16% coal (hard coal, lignite and peat), 15% nuclear and 6% renewables. If nothing is done, the total energy picture in 2030 will continue to be dominated by fossil fuels: 38% oils, 29% gas, 19% soild fuels, 8% renewables and barely 6% nuclear. Against this background, the Green Paper sketches out the bare bones of a long-term energy strategy according to which: - the Union must rebalance its supply policy by clear action in favour of a demand policy; - with regard to demand, the Green Paper is calling for a real change in consumer behaviour. It highlights the value of taxation measures to steer demand towards better-controlled consumption which is more respectful of the environment; - with regard to supply, priority must be given to the fight against global warming. The development of new and renewable energies (including biofuels) is the key to change. Doubling their share in the energy

supply quota from 6 to 12% and raising their part in electricity production from 14 to 22% is an objective to be attained between now and 2010. If the current conditions apply, they will stagnate at around 7% in 10 years. Only financial measures (aids, tax deductions and financial support) would be able to buttress such an ambitious aim. One way which could be explored is that profitable energies such as oil, gas and nuclear could finance the development of renewable energies which, unlike traditional energy sources, have not benefited from substantial support. The contribution of atomic energy in the medium term must, in its turn, be analysed. Among the issues which will certainly form part of the debate will be the decision by most Member States to relinquish this sector, the fight against global warming, security of supply and sustainable development. Whatever the conclusions of this reflection, research on waste management technologies and their implementation in the best possible safety conditions must be actively pursued. As far as oil and gas are concerned, imports of which are increasing, a stronger mechanism ought to be provided to build up strategic stocks and to foresee new imports routes. ?

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The Council had an exchange of views on the security of energy supply. This discussion was based on the Commission Green Paper on a European strategy for the security of energy supply which was presented at the Industry/ Energy Council in December 2000. Moreover, the Council invited the Commission to submit to a progress report on the consultative process by mid-2001 and intends to further its contribution to a long term strategy for security of supply at its December meeting with a view to enabling the Commission to assess fully the outcome of the consultation by the end of this year. The forthcoming Belgian Presidency was invited to bring forward the examination of this consultative document, taking into account contributions from all the relevant formations of the Council including Transport, Ecofin, Environment and Research.?

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The committee adopted the report by Giles Bryan CHICHESTER (EPP-ED, UK) responding to the Commission Green Paper on energy supply. It said that the EU had plenty of opportunities to conduct an energy policy of its own despite the absence of a separate energy chapter in the Treaty. Such a policy should consist in liberalising the energy industry, promoting a level playing-field, promoting the use of renewable energy sources and monitoring implementation of the Kyoto agreements at EU level, research and development in the energy field, promoting an EU policy for energy-saving and safeguarding security of supply. MEPs called on the Member States to include in the EC Treaty an Energy Policy chapter at the next IGC. This would pave the way for a more systematic and long-term approach to energy, with the declared priority being efficient use of energy. As for concrete measures, the committee said that the EU must curb demand for oil in the transport sector, with incentives for the production of a new efficient engine · the 1 litre car · and shifting the emphasis from road and air to rail and ship. The Member States should be encouraged to promote more integrated regional and town planning. These actions should be combined with the development of alternative fuels like biofuels and hydrogen based on renewables. MEPs also stressed that the development of new clean coal technologies had significant commercial export potential and should not be neglected. The committee also recognised that nuclear energy would play a less significant role following decisions to phase it out in five Member States. Another area to develop was local energy production, particularly combined heat and power production (CHP). In view of the fact that total world energy consumption had grown by 46.1% over 25 years and that EU consumption was projected to grow by another 22% in the period 1990 to 2020, MEPs insisted that reducing the demand for end energy and improving energy efficiency was the best way to reduce Europe's external energy dependency. Taxation could have an important part to play in influencing behaviour patterns, but this should be applied to carbon emissions and other pollutants rather than energy production itself.?

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The European Parliament adopted the resolution by Mr Giles Bryan CHICHESTER (EPP-ED, UK) which reponds to the Commission's Green Paper on energy supply. In addition to the recommendations specified in the text from the committee responsible (please refer to the previous text), it should be added that the Commission is called upon to submit a proposal for introducing a national energy requirement. It considers that Member States should be allowed within this energy requirement to finance energy sources in accordance with the principles of general interest services and environmental protection, whilst fully respecting EU competition and State aid rules. On the other hand, all the EU institutions are called upon to encourage the shift towards zero-carbon emission fuels for power, notably electricity generation from nuclear energy, hydrogen for transport fuel from biomass, hydroelectric, sloar and wind energy sources, both by removing existing legislative obstacles and by aking them subject to a specific EU-wide exemption from all excise duties, energy taxes or climate levies and also by providing incentives to encourage a shift towards efficient energy production plants, including combined heat and power. The Parliament notes that the resources allocated to research into new and better methods of producing and using energy, in the Sixth Framework Programme for Research and Development project, do not meet the expectations for increasing energy efficiency. Therefore, it proposes that a greater share of funds be allocated, in absolute and relative terms, to researching systems. Lastly, the Parliament recognises the importance of good political relations with EU major energy supply partner countries and considers that this cooperation should be reinforced.?

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This report presents an overview of the responses to the Commission's Green Paper on energy supply received until the end of October 2001. The report analyses the reponse to the Green Paper and describes the arguments which hve been put forward by contributors to the debate - both those who have submitted written responses and those who participated in discussions with the Commission. In total, 128 responses were received until 28 October 2001. Overall, the Commission's Green Paper on energy supply security has been very well received. A wide variety of participants from many industrial fields and from all Member States have responded to the Green Paper. It has been supported by events, electronic and paper information and individual meetings throughout the Member States and in third countries. Although European level and energy associations dominate the responses, efforts have been made to include individuals, smaller consumers and non-energy sectors through events and the use of the Internet. Responses to the Green Paper have welcomed the relevance, content, objective and timing of the Green Paper. It is generally agreed that the Green Paper is right to treat the issue of energy supply in all its dimensions, including

energy policy more generally. It is also commonly thought that the twin pressures of climate change and liberalised energy markets increase the urgency for EU strategies in the energy supply area. Wide international developments since the publication of the Green Paper, including the uncertainties created by the aftermath of 11 September attacks in the US, have confirmed one of the key messages of the Green paper, namely there is an urgent need for adequate strategies to manage longer and short term risks to security of supply. At the time of writing, the debate was still open. Among other developments, the Commission is looking forward to receiving written responses from those Member States who have not yet responded formally. The proposed full report on the debate in spring 2002 and paper on energy supply security for the European Council in March 2002 will consider the political orientations for a future strategy.?

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The Council noted the Commission's intention to provide a consolidated report on that consultation to the Barcelona European Council, accompanied if necessary by proposals on complementary measures for the short and medium term. The Council then held an exchange of views on the situation regarding energy supply security in the European Union, dealing in particular with: - measures related to the physical security of infrastructures; - coordination between work pursued in the EU and the IEA; - consistency between the treatment of security of supply and other policies (taxation, investment, environment); - the advisability of possible measures at Community level on the management and/or establishment of oil and/or gas stocks; - enhancement of the dialogue between consumer and producer countries and the EU interest in the Energy Charter process. This exchange of views confirmed in particular the Council's interest in enhancing dialogue with all the producer countries, whether it be Russia, the OPEC countries or the countries of Latin America. On that occasion, the question was raised of establishing a secretariat within the International Energy Forum so as to facilitate dialogue.?

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The European Commission presented its final report on the Green paper adopted more than a year ago. This debate revived, in most of the Member States, discussion on national options in the energy field. It was used for reference in some third countries, like the United States (during the preparation of the Bush energy plan), Japan and Russia. From the many answers received it is clear that the discussions on the Green Paper responded to a need, and their content shows approval for the line taken by the Green Paper and most of the proposals. It has even been possible to enter into a dispassionate debate on the place and role of nuclear power, which has helped to shed some light on the national debates. The conclusion is that there is virtually unanimous agreement on the strategic axis of demand management: energy consumption must be guided and steered. The conclusions of the Barcelona European Council, stressing in particular the need for better energy efficiency by 2010 and rapid adoption of energy taxation proposals, clearly give political backing to this priority. Without waiting for the debate to end, the Commission made some very well received proposals along these lines, involving actual legislation and not just encouraging words or exchange of good practice, some of which have already been adopted by the Council and the European Parliament. One of these proposals in particular was the Directive on electricity production from renewable sources, adopted in 2001, under which Member States undertake to comply with national targets for future consumption of electricity produced from renewable energy sources, to set up a system of guarantees of origin of green electricity, and to introduce accompanying measures to facilitate the market penetration of green electricity on the internal market. Within this regulatory framework, 22% of the electricity consumed in the European Union by 2010 should have been produced from renewable energy sources. Another was the proposal for a Directive on energy saving in buildings, which provides a precise legislative framework for limiting energy consumption in this sector, representing 40% of the energy consumed in the European Union. Given the right conditions for economising and improving efficiency, it should be possible to save about 22% of this energy consumption. The Directive proposed will help to achieve this objective by the establishment of a common methodology for calculating and regularly updating minimum energy performance standards for new and existing buildings, to be adopted by the Member States in accordance with the subsidiarity principle, and certification schemes. In addition to these arrangements there will be improved inspection of heating and cooling installations. Finally, the Commission has also made regulatory and fiscal proposals to promote biofuels, providing that these will make up a minimum of initially 2% of all fuels sold in 2005, rising to 5.75% in 2010. Certainly in the transport field - representing 32% of energy consumption and 28% of total CO<sub>2</sub> emissions - the effort to reduce demand is key. Revitalising the railways, investing in the trans-European networks and harmonising fuel taxes for commercial users are all instruments towards the same goal, as is the impending proposal for a framework directive on charging for infrastructure use - the importance of which was re-emphasised by the Barcelona European Council in its conclusions - in order that by 2004 the prices of the different transport modes better reflect their cost to society. A wide debate also developed around the Green Paper proposal for a new approach to oil stocks. The Green Paper proposal for strategic oil reserves would aim to increase greater reliance on solidarity between the Member States in time of crisis. Against this background, increased dialogue between the European Union and the producer countries is imperative for improving market transparency and concluding satisfactory supply agreements. This dialogue also contributes to improved conditions of stability in those countries. The debate on the Green Paper has shown the need to develop a Europe-wide security of supply concept which alone will enable Europe to control its energy future. As recently emerged from the Paris, Brussels and very recently Moscow summits, the dialogue the EU is entering into with Russia aims to create a new energy partnership. Projects have been launched on network security, protection of investments or identification of major projects of common interest. Hopefully, this dialogue will make it possible to determine the best future use of long-term supply agreements and production sharing agreements, on which the representatives of industry expressed some major concerns in the Green Paper debate. In addition, the Green Paper made it possible to hold a frank and open exchange of views on nuclear energy, which arouses diverging views within the Union. Against this background, the range of choices available to the Member States has to be as wide as possible, without prejudice to their sovereignty in these matters. The nuclear option remains open to those EU Member States who would like it. But one major lesson to be drawn from the Green Paper debate is that the future of this industry depends on finding a clear and unequivocal answer to the question of the processing and transportation of radioactive waste. The question of nuclear safety in an enlarged Union remains a major concern for most of the participants in the debate on the Green Paper. For the next stage, the Commission will examine a proposal opening the way to a truly Community approach to nuclear safety in the form of common standards and practices and European control mechanisms and peer review. The Union could also contribute to rapid progress towards lasting solutions to the management of radioactive waste by fixing precise deadlines at Community level for the introduction of more effective waste storage systems at national level. The report also notes that concrete proposals for harmonising taxation as well as questions of charging in transport are met with some reservation. However, the lack of tax harmonisation is causing some distortion of competition between Member States. The internal energy market contributes to establishing healthy competition, guaranteeing the safety of energy supplies, reinforcing the competitiveness of the European economy and requires a better use of existing cross-border capacities. This report confirms one of the main themes of the Green Paper, the need for more openness in the electricity and gas market coupled with new needs for regulation and evaluation. During the Green Paper debate, some, notably the European Parliament,

wondered about the limited legal and institutional means at the EU's disposal to implement an energy policy adapted to the potential weaknesses in its supply. It remains the case that the Union has achieved significant progress in the energy area by using several instruments : the implementation of the internal energy market relies on the chapter dealing with the approximation of laws; the promotion of renewable energy on the basis of articles relating to environmental protection; or the development of gas and electricity networks in the context of the chapter on trans-European networks.?