


# Fiche de procédure

Basic information		
COS - Procedure on a strategy paper (historic)	1995/2015(COS)	Procedure completed
European Union energy policy. Green Paper		
Subject 3.60 Energy policy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ENER</b> Research, Technological Development and Energy	PPE <a href="#">VAN VELZEN W.G.</a>	22/03/1995
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	V <a href="#">HAUTALA Heidi</a>	06/04/1995
	<b>RELA</b> External Economic Relations		22/02/1995
		PPE <a href="#">VALDIVIELSO DE CUÉ Jaime</a>	
	<b>REGI</b> Regional Policy	PSE <a href="#">ANDERSSON Axel</a>	23/03/1995
Council of the European Union	<b>TRAN</b> Transport and Tourism		
	<b>ENVI</b> Environment, Public Health and Consumer Protection	ELDR <a href="#">PIMENTA Carlos</a>	22/02/1995
	Council configuration Energy	Meeting <a href="#">1850</a>	Date 01/06/1995

Key events			
11/01/1995	Non-legislative basic document published	COM(1994)0659	Summary
13/02/1995	Committee referral announced in Parliament		
01/06/1995	Resolution/conclusions adopted by Council		Summary
19/09/1995	Vote in committee		Summary
19/09/1995	Committee report tabled for plenary	<a href="#">A4-0212/1995</a>	
10/10/1995	Debate in Parliament		Summary

10/10/1995	Decision by Parliament	T4-0445/1995	Summary
10/10/1995	End of procedure in Parliament		
30/10/1995	Final act published in Official Journal		

### Technical information

Procedure reference	1995/2015(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	ENER/4/06392

### Documentation gateway

Non-legislative basic document		COM(1994)0659	11/01/1995	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0804/1995</a> <a href="#">OJ C 256 02.10.1995, p. 0034</a>	05/07/1995	ESC	Summary
Committee of the Regions: opinion		<a href="#">CDR0232/1995</a> <a href="#">OJ C 100 02.04.1996, p. 0060</a>	20/07/1995	CofR	Summary
Committee report tabled for plenary, single reading		<a href="#">A4-0212/1995</a> <a href="#">OJ C 287 30.10.1995, p. 0004</a>	19/09/1995	EP	
Text adopted by Parliament, single reading		T4-0445/1995 <a href="#">OJ C 287 30.10.1995, p. 0023-0034</a>	10/10/1995	EP	Summary

## European Union energy policy. Green Paper

**OBJECTIVE:** to provide the European institutions with the information needed in order to evaluate whether or not the Community needs to assume a more important role in the energy sector. The Commission will draw up a White Paper, containing operational proposals, on the basis of the results of a debate with the interested circles. **CONTENT:** the Green Paper analyses the objectives of a Community energy policy on the basis of the challenges identified, the aim being to guarantee that private and industrial user requirements are satisfied as cheaply as possible under conditions which guarantee security of supply and environmental protection. This debate forms part of the preparations for the 1996 intergovernmental conference, which could result in an "energy" chapter being included in the Treaty. During the process of drafting the Green Paper, a number of omissions and shortcomings in the current energy policy were identified and policy guidelines were singled out which should improve the situation: - consultation and cooperation between energy policy decision-makers and energy policy actors within the Community need to be strengthened in order to help national and Community policies converge; - the internal energy market needs to be completed, especially in the gas and electricity sectors; - a global approach needs to be taken to national and Community energy policies, given that many of the factors which influence these policies are, by definition, transnational; - there is a lack of clarity in the definition of the Community's responsibilities in energy policy (only responsibilities in the nuclear and coal sectors are recognised); - ecological problems need to be examined (classical pollution and CO2 emissions). It is important to make a positive contribution to and follow up the conference on climatic change planned for 1995; - cooperation needs to be strengthened with third countries (countries in the east and in other areas of the world, recognition of the position of the Community in international organisations) - RDT programmes need to be supplemented with support measures and economic instruments to promote the application of technologies on the market.?

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The broad lines of action by the Community on trans-European energy networks must be: - the identification of projects of common interest; - the creation of a more favourable context for development of these networks. Any energy network project may be considered to be of common interest if it corresponds to the objectives and priorities set and displays potential economic viability taking economic, social and technical factors into account. In this connection, the Council considers that the concept of viability includes not only the financial profitability of the projects but also other considerations such as the reliability and security of energy supplies, the strengthening of economic and social cohesion and protection of the environment in the Community. A committee composed of the representatives of the Member States will assist the Commission in implementing the Decision, in particular with regard to updating the list of projects of common interest. The common position concerning a more favourable context for the realisation of projects of common interest in connection with trans-European energy networks and for the interoperability of such networks on a Community-wide scale identifies the action to be taken to achieve those

objectives. The text therefore provides that the Community should promote as necessary: - technical cooperation projects between the entity or entities responsible for the trans-European energy networks involved in the proper functioning of European interconnections; - cooperation between Member States through mutual consultations with a view to facilitating implementation of the authorisation procedures for the realisation of projects on trans-European energy networks in order to reduce delays. In close collaboration with the Member States concerned, the Commission should take all relevant initiatives for promoting the coordination of the activities in question. As regards the creation of a more favourable financial context for the development of trans-European energy networks, the common position provides that the Community: - may provide financial support as part of the action on trans-European energy networks. These measures would be adopted by the Commission in accordance with the provisions of the Council Regulation laying down general rules for the financing of trans-European networks; - will take account of the projects of common interest in providing assistance from its Funds, instruments and financial programmes applicable to those networks, within the terms of their own rules and purposes. A committee composed of the representatives of the Member States will assist the Commission in implementing the Decision.

## European Union energy policy. Green Paper

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The ESC noted, first and foremost, that the Commission's Green Paper had not called into question the relevance of the Own-initiative Opinion it had adopted in September 1994. Overall, the ESC was quite critical of the Commission's document. It considered that the Commission had not presented any clear considerations as a first step towards a Community energy policy, over and above the policies of individual states and their convergence. The Green Paper could have provided an opportunity to illustrate why it was necessary to have a longer-term strategy for a Community energy policy that was complementary to national energy policies and that pinpointed responsibilities on the basis of subsidiarity. In this context, the ESC regretted that the Commission only made very general comments, which made it impossible to evaluate whether or not the European Union should play a more active role in the energy sector. In any event, the ESC stressed that the energy policy objectives could not be restricted to the three mentioned by the Commission and that it was essential to include in this list the objectives of economic and social cohesion and job creation. The practical implementation of these objectives was crucial for energy policy, as were the economic and regulatory instruments required to implement them. When applying these instruments it was particularly important to define the responsibilities and powers of the Community and the Member States as clearly as possible. As far as the ESC was concerned, the Green Paper was lacking in this respect: the Commission emphasised the need to limit as far as possible intervention by public authorities and saw economic and regulatory instruments playing a central role, without defining responsibilities and powers.

## European Union energy policy. Green Paper

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The Committee of the Regions called for full compliance with the principle of subsidiarity in the establishment of a European energy policy. This implied not only consultation of the local and regional authorities when applying the policy but also consideration of local employment, environmental and social needs. Decisions on energy production should also recognise and assess their effects on social and regional development. Local and regional authorities should play a key role in the decisions on the establishment of trans-European networks. They also had a crucial role to play in promoting energy efficiency and reducing energy consumption. It was also essential to take account of the urban dimension when drawing up a European energy policy. Cooperation between European regions and cities would have a beneficial impact on planning and the development of a highly effective information system in the energy field. The Committee of the Regions considered that energy policy was a key element of the economic and social development policy and should form part of a policy of sustainable development. It should also be examined from the point of view of consumers and citizens. The public interest could not be left entirely to market forces; it was to counterbalance market forces that the public sector existed.

## 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 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-à-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 CO<sub>2</sub> 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".?

## European Union energy policy. Green Paper

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Adopting the report by Mr W.G. van VELZEN (PPE, NL) on the Commission's Green Paper, the European Parliament started by noting that the internal energy market was having trouble operating. The first priority 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. 1) - A chapter on energy to be included in the Treaty on European Union: Parliament 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, in consultation with the various actors (enterprises, small and large users etc.), 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. 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. 2) - The future joint energy policy should be based on: - efficiency, as the necessary stimulus for competition; - market compliance; - maximum security of supply; - continuing research (new forms of energy and use of traditional sources of energy); - technical competence, to avoid risks; - sustainable, environmentally-friendly development. 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. 3) - The European Parliament reiterated the main principles which should inform the gradual implementation of a real internal market: - 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. 4) - The European Parliament 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 CO<sub>2</sub> 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-à-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 by the European Union. Decisions on sites for nuclear power stations would rest with national authorities, provided that international safety rules were strictly adhered to and the country in question had signed the non-proliferation treaty. 5) - The European Parliament attaches particular importance to 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; - encouraging research into the effects of exposure to radiation on public health; - promoting leading-edge research into vitrification of highly radioactive nuclear waste. Research should also encompass the real costs of storing and transforming nuclear waste in order to avoid passing costs on to future generations. The Commission and the Member States were also called on to adopt a binding programme with an explicit timetable for reducing CO<sub>2</sub> 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. 6) - The European Parliament 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. 7) The Commission was invited, inter alia, to: - 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; - draw up a programme, in conjunction with the EBRD, EURATOM and the World Bank and in agreement with the CEECs, to gradually reduce the dependency of the CEECs on nuclear power and apply western safety standards to them; - take part in the Oslo and Paris committees on the decision-making process relating to the dismantling and destruction of offshore installations.?

## European Union energy policy. Green Paper

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According to the rapporteur, it was essential for the Union to establish a coherent energy policy. He hoped that a chapter on energy would be included in the Treaty on European Union and would take account of the environmental objectives. It was important to develop research in the area of renewable energy sources and to ensure that this area received the same funding as nuclear fusion. The rapporteur also highlighted the need for a policy on diversification of supply. The EU's energy policy should strive for gradual liberalisation in accordance with a number of fundamental principles (competition, network access, price transparency, etc.). Finally, the rapporteur called for substantial aid for the CEECs in the field of nuclear security. Commissioner PAPOUTSIS outlined the three challenges facing the Union: the competitiveness of the energy sector, the security of installations and security of supply, and the need to protect the environment. In this respect, the Commissioner highlighted the Commission's proposals to reduce CO<sub>2</sub> emissions and expressed his disappointment at the delays in their implementation.

The Commissioner also emphasised the importance of cooperation with the CEECs and stated that he was in favour of Parliament's involvement in the definition of the Union's future energy policy.