

27 September 1999

FINAL
A5-0015/1999

*****II**

RECOMMENDATION FOR SECOND READING

on the common position adopted by the Council with a view to adopting a European Parliament and Council decision adopting a multiannual programme for the promotion of energy efficiency (SAVE) (1998-2002) (7123/1/1999 - C5-0033/1999 - 1997/0371(COD))

Committee on Industry, External Trade, Research and Energy

Rapporteur: Nuala Ahern

CONTENTS

Page

Procedural page	3
DRAFT LEGISLATIVE RESOLUTION	4
EXPLANATORY STATEMENT	10

PROCEDURAL PAGE

At its sitting of 11 March 1999 Parliament delivered its opinion at first reading on the proposal for a European Parliament and Council Decision adopting a multiannual programme for the promotion of energy efficiency (SAVE) (1998-2002) (COM(1997) 550 – 1997/0371(COD)).

The proposal is included on the list of Commission proposals pending at 1 May 1999 for which entry into force of the Treaty of Amsterdam entails a change of legal basis and/or procedure.

At the sitting of 6 May 1999 Parliament confirmed the text adopted on 11 March 1999 as its first reading under the codecision procedure.

At the sitting of 23 July 1999 the President of Parliament announced that the common position had been received and referred to the Committee on Industry, External Trade, Research and Energy.

The committee appointed Mrs Ahern rapporteur at its meeting of 29 July 1999.

It considered the common position and the draft recommendation for second reading at its meetings of 31 August 1999 and 21/22 September 1999.

At the latter meeting it adopted the draft legislative resolution unopposed with 3 abstentions.

The following were present for the vote: Westendorp y Cabeza, chairman; Ahern, vice-chairman and rapporteur; Mombaur, vice-chairman; Alyssandrakis, Ayuso González (for Bodrato), Baltas, Beysen (for Clegg), Butel, Chichester, De Clercq, Désir, Jonathan Evans (for Karoutchi), Ferrer, Flesch, Folias, Ford, Foster (for Lamassoure pursuant to Rule 153(2)), Gallagher, Gill (for Carraro), Glante, Hansenne, Harbour, Kuhne (for Caudron), Langen, Linkohr, Lucas, McAvan, McNally, Erika Mann, Hans-Peter Martin (for Desama), Montfort, Murphy, Paasilinna, Piétrasanta, Plooij-van Gorsel, Pohjamo (for Thors), Purvis, Quisthoudt-Rowohl, Radwan (for van Velzen), Raschhofer, Read, Rothe, Rovsing, Rübige, Schnellhardt (for Matikainen-Kallström), Ilka Schröder, Turmes (for Maes), Valdivielso de Cué, Vidal-Quadras Roca (for Scapagnini) and Zimeray.

The recommendation for second reading was tabled on 27 September 1999.

The deadline for tabling amendments to the common position or proposals for declarations of intended rejection will be indicated in the draft agenda for the relevant part-session.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the common position adopted by the Council with a view to adopting a European Parliament and Council decision adopting a multiannual programme for the promotion of energy efficiency (SAVE) (1998-2002) (7123/1/1999 - C5-0033/1999 - 1997/0371(COD))

(Codecision procedure: second reading)

The European Parliament,

- having regard to the Council common position (7123/1/1999 - C5-0033/1999),
 - having regard to its position at first reading¹ on the Commission proposal to Parliament and the Council (COM(1997) 550²),
 - having regard to the Commission's amended proposal (COM(1999) 211³),
 - having regard to Article 251(2) of the EC Treaty,
 - having regard to Rule 80 of its Rules of Procedure,
 - having regard to the recommendation for second reading of the Committee on Industry, External Trade, Research and Energy (A5-0015/1999),
1. Amends the common position as follows;
 2. Instructs its President to forward its position to the Council and the Commission.

Common position of the Council

Amendments by Parliament

(Amendment 1) Recital 11

The SAVE programme is an important and necessary instrument for promoting increased energy efficiency;

The SAVE programme is an important and necessary instrument for promoting increased energy efficiency; one of the main points of the programme is the drafting of Community legal provisions since the progress achieved under the SAVE programme in terms of improved energy efficiency is primarily due to Community legislative acts (directives) providing for the implementation of binding provisions by the

¹ OJ C 175, 21.6.1999, p. 274.

² OJ C 46, 11.2.1998, p. 7.

³ Not yet published in the OJ.

Member States;

Justification:

This amendment outlines the need for legislative action.

(Amendment 2)

Recital 15

The SAVE programme aims at improving energy intensity of final consumption by a further one percentage point per annum over that which would have been otherwise attained;

The SAVE programme aims at improving energy intensity of final consumption by a further 1.5 percentage points per annum over that which would have been otherwise attained;

Justification:

The more ambitious objective of a 1.5% increase in efficiency is introduced here.

(Amendment 3)

Recital 15a (new)

Legislation is the most cost-effective way of improving energy intensity of final demand and energy efficiency; whereas the form of the legislation shall be left to the Member States;

Justification:

This amendment again stresses the need for legislative measures.

(Amendment 4)

Recital 21

In order to ensure that Community aid is used efficiently and duplication of work avoided, the Commission will ensure that projects are subject to thorough prior appraisal; it will systematically monitor and evaluate the progress and results of supported projects;

In order to ensure that Community aid is used efficiently and duplication of work avoided, the Commission will ensure that projects are subject to thorough prior appraisal; it will systematically monitor and evaluate the progress and results of supported projects and of complementary activities in the field of renewable energy sources;

Justification:

This amendment has been accepted by the Commission, but not by the Council. Parliament upholds the link to renewable energy programmes such as ALTENER.

(Amendment 5)
Recital 21a (new)

Council Decision 1999/468/EC(1)
established new procedures for the exercise
of implementing powers conferred on the
Commission with the aim of improving the
involvement of the European Parliament;

(1) OJ L 184, 17.7.1999, p. 23.

Justification:

This amendment clarifies the role of the management committee by making reference to the new pertinent Council decision.

(Amendment 6)
Article 1(1)

1. Within the framework programme for action in the energy sector, a specific programme for the encouragement of rational and efficient use of energy resources (SAVE), (hereinafter referred to as "the programme"), shall be implemented by the Community for the period 1998-2002.

In addition to the priority objectives listed in article 1(2) of Council decision 1999/21/EC, Euratom this programme shall:

- (a) stimulate energy efficiency measures in all sectors;
- (c) create the conditions for improving the energy intensity of final consumption.

1. Within the framework programme for action in the energy sector, a specific programme for legislative and non-legislative measures to encourage the rational and efficient use of energy resources (SAVE), (hereinafter referred to as "the programme"), shall be implemented by the Community for the period 1998-2002, aimed in particular at the enacting of additional legal provisions to those issued under SAVE I.

In addition to the priority objectives listed in article 1(2) of Council decision 1999/21/EC, Euratom this programme shall:

- (a) stimulate energy efficiency measures in all sectors;
- (c) create the conditions for improving the energy intensity of final consumption by a further 1.5 percentage points per annum over that which would otherwise have been attained.

Justification:

The need for legislative measures is laid down here and the 1.5 % energy efficiency target set.

(Amendment 7)
Article 2(a)

(a) studies and other related actions designed to implement and supplement Community measures (such as voluntary agreements, mandates to standardisation bodies, cooperative procurements and legislation) for improving energy efficiency, studies concerning the effects of energy pricing on energy efficiency, and studies with a view to establishing energy efficiency as a criterion within Community programmes;

(a) studies and other related actions designed to introduce, implement and supplement additional Community measures (such as voluntary agreements, mandates to standardisation bodies, cooperative procurements and legislation, and studies with a view to establishing energy efficiency as a criterion within Community programmes; furthermore, studies to assess the effects of Community energy legislation and other measures, studies for the development of voluntary agreements on objectives and the monitoring thereof and involvement in internationally coordinated activities, inter alia, are planned.

Justification:

Some proposals for measures to increase energy efficiency are listed here.

(Amendment 8)
Article 2(b)

(b) targeted sectoral pilot actions aimed at accelerating investment in energy efficiency and/or improving energy use patterns, to be carried out by public and private enterprises or organisations and by existing Community-wide networks or temporary groupings of organisations and/or enterprises formed to carry out the projects;

(b) targeted sectoral pilot actions aimed at improving energy use patterns, to be carried out by public and private enterprises or organisations, local independent energy centres, and by existing Community-wide networks or temporary groupings of organisations and/or enterprises formed to carry out the projects (these concern in particular ad hoc actions through closer cooperation between the key operators by means of Community-wide networks; for example, projects by associations in the building sector (for instance, associations of architects), by firms/associations in the electricity and/or gas sectors (for example, integrated planning of resources) and by municipal associations (for example, projects to increase energy efficiency in urban transport)); studies of the implications

of measures proposed by the European institutions (for example on EU tax legislation) for the objectives of the SAVE programme;

Justification:

Some proposals for measures to increase energy efficiency are listed here.

(Amendment 9)
Article 2(e)

(e) monitoring of energy efficiency progress in the Community and in individual Member States and ongoing evaluation and monitoring of the actions and measures undertaken under the SAVE programme;

(e) monitoring of energy efficiency progress in the Community and in individual Member States and ongoing evaluation and monitoring of the actions and measures undertaken under the SAVE programme; with actual measurements (for example, energy auditing) before and after the implementation of measures, interventions, incentives, etc. Furthermore, by using SAVE as a catalyst in other Community programmes such as the Regional Fund, potential energy efficiency projects which can be supported by these programmes should be identified.

Justification:

Some proposals for measures to increase energy efficiency are listed here.

(Amendment 10)
Article 4(1)

1. The financial framework for the implementation of this programme shall be EUR 64 million. Of this amount, EUR 25.6 million shall be for the period 1998 to 1999.

The financial reference amount for the period 2000 to 2002 shall be EUR 38.4 million. This amount shall be reviewed if it is not consistent with the financial perspective for that period.

1. The financial framework for the implementation of this programme shall be EUR 68.4 million. Of this amount, EUR 25.6 million shall be for the period 1998 to 1999.

The financial reference amount for the period 2000 to 2002 shall be EUR 42.8 million. This amount shall be reviewed if it is not consistent with the financial perspective for that period.

Justification:

This amendment intends to re-establish the figures originally proposed by the Commission.

(Amendment 11)
Article 6

The Commission shall be assisted, for the purposes of implementing the SAVE programme, by the Committee referred to in Article 4 of Council Decision 1999/21/EC, Euratom.

Without prejudice to Article 8 of Council Decision 1999/468/EC, the Commission shall be assisted, for the purposes of implementing the SAVE programme, by the Committee referred to in Article 4 of Council Decision 1999/21/EC, Euratom.

Justification:

This amendment clarifies the role of the management committee by making reference to the pertinent Council decision.

EXPLANATORY STATEMENT

The promotion of energy efficiency has long been a major element of Parliament's energy policy. Increased energy efficiency means lower consumption, the conservation of non-renewable energy sources and reduced dependence on energy imports, but most of all it means lower levels of environmental pollution from harmful substances such as CO₂, one of the major causes of the greenhouse effect. In a recent report, Parliament has once again underlined the importance of energy efficiency actions.

The Council has also emphasised the need for energy savings and a reduction in CO₂ emissions in a series of resolutions, the most recent of which is cited in its new common position. However, these announcements have been followed up by only modest action. The energy savings targets set will in all likelihood not be achieved by the means provided for the SAVE II programme.

SAVE I (1991-1995) was endowed with relatively modest funding (ECU 35 m). The programme actions consisted of support for projects (co-financing) which aimed at strengthening energy efficiency structures in the Member States (education, setting-up of networks and organisations for the formulation of local programmes). The evaluation report on SAVE I of November 1994 states that it could be concluded from a number of pilot projects that most of these actions would not have been successfully implemented without SAVE funding, which seemed to create added value. SAVE activities relating to the preparation of information by networks were judged to be very positive in the evaluation report. It is fair to say that the SAVE I programme was a necessary and useful programme.

Assessment of the Commission's modified proposal and the common position

As the Community has so far not been able to agree on what is probably the most effective instrument for the reduction of greenhouse gases, namely the taxation of energy consumption, the Commission and the Council regard the SAVE II programme as an 'important and necessary instrument for promoting increased energy efficiency'. In its new proposal the Commission accepted five of Parliament's amendments completely (Ams. 2, 3, 7, 10 and 16) and one in part (Am. 8). The Commission refused to integrate 13 amendments (Ams. 1, 4, 5, 6, 9, 11, 12, 13, 14, 15, 18, 19 and 20) claiming, among other reasons, that these amendments would reduce the range of the programme or create confusion between SAVE and the fifth framework programme or ALTENER.

Out of the amendments accepted by the Commission, the Council refused Amendments 10 and 16. and on the other hand, it accepted Amendments 2, 3, 7 (like the Commission) and 8 (contrary to the Commission). In addition, the Council modified several paragraphs of the proposal, updating and streamlining it with respect to recent Council resolutions and the Kyoto conference. Your rapporteur agrees with the Commission that these modifications are useful and constitute an improvement of the text.

Parliament's position

Bearing in mind the expected increase in CO₂ emissions and the low budget allocated to SAVE II it is rather unlikely that the internationally agreed objectives for reducing emissions could be achieved by this programme. However, under the energy framework programme SAVE II offers an opportunity to reverse the trend. Since at Member State level progress has stagnated with

regard to increased efficiency in the energy sector, the responsibility for achieving the efficiency target and meeting the CO₂ reduction commitment now lies with the Community. The Finnish Presidency has therefore announced that it will table an action plan for energy efficiency during the second half of 1999.

The Commission argues in favour of setting a Community energy efficiency target. Given the approximately 1% annual improvement in energy efficiency in final consumption achieved so far, the Commission calls for a target of reducing energy intensity in final demand by a further percentage point per year. Given our commitments in terms of CO₂ reduction it is incomprehensible that the Commission should confine itself to such a target. A goal of a further one and a half percentage points should be set in order to develop additional savings potential (see Ams. 2 and 5).

Studies form part of the preparation of legislative acts and should be promoted under SAVE II. However, care should be taken that such preliminary work is translated into legislative action as soon as possible and not done as an end in itself. To sum up, the Commission and the Council have still not drawn the necessary conclusions from SAVE I, despite the observations which were already made during the legislative examination of the 'old' SAVE II programme.

Therefore, your rapporteur proposes to keep the following amendments tabled by the previous rapporteur (the amendment concerning recital 16 has been accepted both by the Commission and the Council):

Recital 11: The need for legislative action is outlined.

Recital 15: The more ambitious objective of a 1.5% increase in efficiency is introduced here.

Recital 15a: This amendment again stresses the need for legislative measures.

Recital 21: This amendment has been accepted by the Commission, but not by the Council. Parliament upholds the link to renewable energy programmes such as ALTENER.

Article 1: The need for legislative measures is laid down here and the 1.5 % energy efficiency target set.

Article 2: Some proposals for measures to increase energy efficiency are listed here.

Article 6: The commitment is clarified.