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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0009/2006

pursuant to Rule 108(5) of the Rules of Procedure

by Lena Ek, Fiona Hall, Anne Laperrouze, Vittorio Prodi and Patrizia Toia

on behalf of the ALDE Group

on the security of supply of energy in the European Union

European Parliament resolution on the security of supply of energy in the European Union

The European Parliament,

- having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas the Commission has adopted its Green Paper on a European Strategy for Sustainable, Competitive and Secure Energy (COM(2006) 105),
- B. whereas there are three main objectives for EU energy policy: security of supply, competitiveness and protection of the environment,
- C. whereas EU-25 import dependency for energy is 48% (2002) and is projected to rise to 71% by 2030 if no additional measure is taken, and whereas certainty of supply is one of the most important conditions for energy security,
- D. whereas 77% of EU demand for oil, 51% of demand for gas and almost 100% for uranium and uranium products is met from imports,
- E. whereas primary energy consumption in the EU-25 was 1700 million tonnes of oil equivalent (Mtoe) in 2005, of which 38% oil, 23% gas, 18% coal/solid fuels, 15% nuclear and 6% renewable energy sources (RES),
- F. whereas final energy use in the EU-25 in 2004 was 28% in the industrial sector, 31% for transport and 41% in buildings,
- G. whereas EU-25 gross electricity generation is 31% nuclear, 25% solid fuel (predominantly coal), 18% gas, 14% RES and 5% oil,
- H. whereas final energy intensity in the EU-25 has regularly been reduced, so that about 70% of the energy used for a unit of economic output in 1980 is required in 2004; whereas overall primary energy consumption in the EU-25 has been growing at an average rate of 0.8% per year, equivalent to 0.5% per capita per year, during the same period,
- I. whereas 59% of the oil consumed in Europe in 2004 is used by the transport sector, 17% in buildings, 16% in non-energy uses and 8% in industry; whereas the Commission expects energy demand in the transport sector to grow by at least 30% by 2030, with an increase of up to 5% per year for air transport,
- J. whereas 29% of the gas consumed in the EU-25 in 2004 was used for the production of electricity, with the remaining 71% used in non-electricity production (industry, housing, etc),
- K. whereas demand for coal in the EU has been decreasing for many years, and import dependency is already 50% and is rising as a proportion of consumption of coal,

- L. whereas thirteen Member States generate nuclear electricity and certain Member States have a declared policy of phasing out nuclear power,
- M. whereas the EU has set targets for increasing the share of energy consumption from RES from 6% to 12% and to 22.1% for electricity and 5.75% for fuel by 2010; whereas these targets can be attained if all Member States adjust their policies accordingly,
- N. whereas the EU has adopted the Energy End-use Efficiency and Energy Services directive requiring Member States to produce a series of action plans setting out their energy saving strategies over the next nine years,
- O. whereas RES are mainly from indigenous sources and could be used in all sectors, i.e. electricity, heating and cooling and transport,
- P. whereas, according to the last Eurobarometer on Energy, almost half of all EU citizens (48%) believe that their national government should focus on developing the use of solar power, followed by promoting advanced research for new energy technologies (41%) and developing the use of wind power (31%), whilst regulation to reduce dependence on oil (23%) and developing the use of nuclear power (12%) are less appreciated among respondents,
- Q. whereas the EU should take advantage of its massive potential to save energy in all sectors, including transport, as well as to develop new renewable energy sources and technologies,
 1. Welcomes the new Commission Green Paper on a European Strategy for Sustainable, Competitive and Secure Energy;
 2. Notes that recent disputes over gas prices between Russia and its neighbours, but also the recent increase in the price of crude oil, have revealed the vulnerability of the supply and distribution of energy; notes that energy policy in the narrow sense has to be connected with foreign and security policies; calls on the Commission to respond to recent calls for a common energy policy;
 3. Calls on the EU to take the initiative to establish broad cooperation with all the large oil and gas consuming countries – the US, Japan and large emerging economies such as India and China – to work out a comprehensive and global strategy to organise the demand side; insists that this strategy should also promote energy saving and efficiency and the use of alternative energy sources;
 4. Recognises the importance of good political relations with the EU's major energy supply partner countries, particularly Norway, which remains the third largest oil producer in the world and which offers a stable energy supply and also has a proven track record of relations with Russia in the energy sector but needs EU help to maintain them;
 5. Agrees with the Council that a shared view on a strategy for security of supply should respect Member States' geographical, economic, regional, climate and structural differences;

6. Calls on each EU Member State to draw up a prospective energy plan based on medium- and long-term forecasts of its supply and demand management, and state the means it intends to use to meet energy demand, in terms both of national production and of energy imports, stating the effects of this balance with respect to greenhouse gas emissions;
7. Calls on the EU to examine the possibility of multiyear programming of the necessary production, transport, reception and storage investments, taking account of their impact on the environment, while implementing market mechanisms which allow Member States to invest in production capacity;
8. Notes the call by the Commission for an energy chapter in the Treaties, which has been supported by Parliament in the past, and considers that it is the appropriate moment for Member States to deliberate on further steps in this direction;
9. Notes that a common energy policy must be based both on the efforts made by the Union to finance all activities designed to increase the EU's energy security, including EIB loans and specific EU budget lines, and on individual and differentiated strategies of the Member States to reduce their dependence on oil and gas: takes the view that European energy policy is therefore complementary to national strategies, coordinating rather than replacing national measures;
10. Notes the need to take concrete steps to diversify gas and oil supply as well as to explore all possible means of enhancing the European Union's self-sufficiency in energy;
11. Urges the Commission therefore to propose concrete measures to cut energy demand and invest urgently and massively in a truly energy-efficient economy in order to diminish drastically our dependency on fossil fuels; urges the Commission furthermore to always insist on the key role that the demand side, energy conservation and energy efficiency have in reducing energy dependency;
12. Considers the level of dependence upon oil, particularly imported oil, to be of great concern; recalls that this dependency is almost total in the transport sector and must therefore be tackled as a priority;
13. Recognises the growing importance of gas, as its share in total energy rises towards 25%, and the need to use different strategies to ensure the security of gas supply, such as the development of LNG terminals and storage facilities as well as new pipelines;
14. Believes that nuclear energy should be included in the European political debate on energy policy; recognises the role that nuclear energy currently plays in some Member States in maintaining security of electricity supply, as part of the energy mix and to avoid CO₂ emissions; notes that nuclear energy - with planning and construction times of approximately ten years - can make no further contribution towards achieving the Kyoto objectives but can significantly contribute to reduced CO₂ levels in the long run; notes that, like all other energy sources, the nuclear energy alternative should take all costs into consideration, such as decommissioning and negative effects on the environment;
15. Considers that, if nuclear energy production continues to play a role in some Member States, decisions on this matter can only be taken at Member State level within the

framework of subsidiarity;

16. Believes that knowledge of nuclear technology and its application is of strategic value and should therefore be maintained and further developed in the EU;
17. Notes that, with 15% of the EU-25 commercial primary energy and with 6% of EU final energy, nuclear energy plays a certain role in helping to guarantee security of supply in a certain number of EU Member States; furthermore notes that nuclear energy presents advantages such as being a low-carbon energy but also a certain number of problems and risks such as long-lived highly radioactive waste, risks of major incidents and risks of proliferation;
18. Recognises the role that renewable sources of energy currently play as part of the energy mix and in avoiding CO₂ emissions;
19. Notes that biomass in general can meet 15% of energy needs in the Union by conventional combustion and that pyrolysis processing allows the hydrogen content to be freed as molecular hydrogen, which can feed more efficient electricity production by means of combined cycle generation or fuel cells with a further increase in efficiency and flexibility; in view of the benefits from the additional income for the agriculture and forestry sector and the need for hydrogen, calls on the Commission to implement a crash programme for the earliest possible organisation of production, collection of agricultural and forest residues, pyrolysis and use of the gas produced;
20. Encourages the Commission to consider the possibility of issuing specific Euro-bonds, which could be a financial measure both to speed up the implementation of the crash programme and to show European citizens the role that the EU could play in solving pressing problems;
21. Reaffirms its strong support for RES, calls on Member States to redouble efforts to achieve the targets of a 12% share of total energy consumption and 22.1% of electricity from RES and a 5.75% share of fuel consumption by 2010 and calls for a proposal for a directive to promote heating and cooling using RES in order to achieve the overall target;
22. Requests that, under the Seventh Framework Programme, research into biomass, into all renewable energy sources, including wave and tidal power and energy storage, and into coal gasification technology be carried out, in order to reduce pollutant emissions and create a world market for power plants using these resources;
23. Notes that the building sector, which accounts for over 40% of all energy use in the EU-25, is the single biggest energy-consuming sector; notes further that rising energy prices are not only affecting the whole economy but above all the socially disadvantaged;
24. Notes the potential for energy savings if the Directive on the energy performance of buildings is fully implemented by the Member States; recognises that further energy savings could be made if the Directive were to be extended to include all renovations of buildings and to buildings under 1000 m², and supports measures to achieve greater energy efficiency and the use of cleaner technologies in the transport sector, such as the Commission's CARS 21 initiative;

25. Notes the potential for energy saving and for the creation of a market in energy services afforded by the Energy End-use Efficiency and Energy Services directive and calls on Member States to set national targets above the 1% p.a. minimum in their national action plans;
26. Recognises that the development of urban heating and cooling networks is a key way to enhance the security of energy supply of buildings, since it allows for greater flexibility of fuel use; notes that combined heat and power, tri-generation and microgeneration are technologies that should be promoted and which could not only contribute to a larger share in energy supply for RES, but also improve energy efficiency;
27. Notes that there is considerable room for a further improvement in renewable sources of energy and for a global market in new equipment and systems based on RES, and calls for the European Union to provide for a separate budget line for renewable energy technologies endowed with sufficient resources in the Seventh Framework Programme of Research;
28. Believes that greater emphasis should be placed on the process of carbon capture and storage (CCS); notes that several demonstration projects exist globally and believes that the Commission should consider the evidence from these in order to encourage the development of this technology, which has huge potential to reduce CO₂ emissions;
29. Recognises that coal and lignite still play a large role in energy production in the EU (estimated at around one third) and that with the development of new technologies, such as carbon capture and storage, a new generation of clean coal-fired power stations without CO₂ emissions could be considered;
30. Strongly holds the view that an essential part of maintaining security of supply is the rapid transposition of current EU provisions by all Member States to achieve a fully functioning internal market in electricity and gas to enhance competitiveness, transparency and energy efficiency;
31. Is deeply concerned, therefore, about the protectionist measures introduced by several Member States, and urges the Commission to ensure full implementation of internal market rules; believes furthermore that cross-border trade will eliminate the existing bottlenecks between national markets, which have been the cause of a number of serious blackouts in recent years;
32. Urges Member States to create an EU internal energy market by striking a balance between internal and external sources of supply, ensuring interoperability of national energy grids and creating a competitive environment for energy by separating supply and distribution functions, while at the same time ensuring competition between distributors;
33. Urges therefore the Commission, together with Member States, to adopt concrete measures for a genuinely efficient European internal market in energy, such as harmonising the rules of the sector as well as guaranteeing reciprocity between Member States in liberalisation processes, promoting incentives for the infrastructures of the sector, taking into account TENs (Trans-European Energy Networks) priorities, and balancing the relationships between European enterprises which operate in the EU liberalised market

and the monopolistic state-owned enterprises which operate in the producing countries;

34. Calls on the Commission to ensure that Member States fulfil their commitments and fully implement all existing energy directives; notes that potential energy savings of 10% could be made by the full implementation of measures already set out by the EU in the building, domestic appliances, heat production and transport sectors and 20% by 2020 with additional measures as stated in the Commission's Green Paper on energy efficiency;
35. Calls on the Council to accept Parliament's position on TENs priorities in order to complete the missing links in TENs so as to improve security of supply as well as complete the internal market, by supporting specific projects, where appropriate;
36. Agrees with the Commission conclusion that the first priority for action should be in the field of demand management measures to improve efficiency of energy use and reduce consumption through conservation; in this context, deeply regrets the delay in bringing forward proposals for the transport sector; notes the potential economic benefits of saving a minimum of 20% of energy consumed and that this potential will increase with rising energy prices, technological improvements and economies of scale;
37. Recognises that taxation can have an important part to play in influencing patterns of behaviour, as can regulations and technical measures, and considers that there is still an unfair distribution of incentives, for example in the VAT sector, in which gas consumption is sometimes taxed at a lower rate than the use of renewable technologies;
38. Considers therefore that fiscal measures should be used as an incentive, particularly for technologies which are environmentally friendly, sustainable and indigenous, and welcomes therefore the recent Council decision amending the Sixth Council Directive 77/388/EEC of 17 May 1997 on the harmonization of the laws of the Member States relating to turnover taxes - common system of value-added tax: uniform basis of assessment, so that Member States may apply a reduced rate of value-added tax to materials and services for energy efficiency;
39. Considers it urgent that the Commission should submit proposals and work with the industry to hasten the application of hydrogen and fuel cells to bring about sustained, long-term improvements in energy efficiency and conservation in the transport sector;
40. Recognises the importance of increasing investment in R&D, taking advantage of existing technologies and promoting new ones in order to keep Europe at the cutting edge in comparison with its competitors and to create new sustainable and long-term jobs, maintaining consistency with the goals of the Lisbon Agenda and paving the way for achieving, overall, Millennium Development Goal 7 concerning ensuring environmental sustainability;
41. Believes that fostering energy efficiency programmes by introducing energy-saving as an aspect of the EU's external financial support would facilitate modernisation of the economies of developing countries;
42. Considers it essential that the EU lead by example in maintaining research expenditure within the Seventh Framework Programme on energy technologies and energy storage

systems;

43. Believes that nuclear waste disposal and nuclear safety should continue to be priority areas for EU nuclear energy research;
44. Notes that all the forecasts concur that conventional power stations will continue to account for a large share of electricity generation even in the long term and is therefore in favour of promoting research and development concerning the efficiency of such power stations and ways of increasing it;
45. Recalls that there is currently no legal basis for a consistent and independent European energy policy, and that a European strategy must be based on consensus and agreement among the Member States and broad public acceptance;
46. Instructs its President to forward this resolution to the Council, the Commission and the Parliaments of the Member States.