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*Committee on the Environment, Public Health and Food Safety*

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**2011/2034(INI)**

24.5.2011

## **OPINION**

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Industry, Research and Energy

on Energy infrastructure priorities for 2020 and beyond  
(2011/2034(INI))

Rapporteur: Rovana Plumb

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## SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Stresses that planning of energy infrastructure projects should comply fully with the precautionary principle; action plans should be subject to thorough environmental impact assessments on a case-by-case basis which take into account local and regional environmental conditions;
2. Emphasises the urgent need to upgrade and modernise the EU's energy infrastructure in order to meet the EU's 2020 targets and with a view to integrating a still larger share of renewable energy sources into the energy mix beyond 2020; calls for the development of smart and super grids, the building of interconnections and the extension of gas grids, which could lead to the reduction of GHG emissions and enhances security of supply;
3. Underlines the fact that substantial investments need to be made in energy infrastructure in order to achieve our goal for a low carbon economy by 2050; notes that not making these investments would result in much higher costs in terms of environmental deterioration, rising energy prices, the loss of competitiveness, increased energy insecurity and dependency, as well as a decrease in employment and welfare; believes that the required investments could be obtained through development of innovative financing instruments; These investments could come from both private and public sources, whereas revenues from a Financial Transaction Tax (FTT), a green/carbon tax and from the auctioning of allowances of the revised ETS could be used to bridge the funding gap and to boost investments, for instance to adapt our energy grids to the requirements of renewable energies; welcomes the 'Project Bond Initiative' proposed by the European Commission to provide funds for large scale infrastructure projects and believes that these funds should be used to facilitate the deployment of smart grids
4. Believes that EU subsidies for energy infrastructure should only be used where the market fails to generate the necessary investments as these subsidies could hamper possible innovative market solutions;
5. Underlines that phasing out environmental harmful subsidies in the field of energy, both at the national and at EU level, is a core objective of the Europe 2020 strategy as they adversely affect EU goals in the field of climate change, biodiversity, energy efficiency and other key policy areas;
6. Recalls the G20 agreement in Pittsburgh in 2009 to phase out of subsidies for fossil fuels; believes that public subsidy for fossil fuel infrastructure will also need to be phased out over time and suggests that priority for EU-supported financing instruments should be given to projects with significant European interest and contribution to European climate and renewables objectives;
7. Notes that the cost of the necessary investment is lower if energy efficiency and demand management become an integral part of the European strategy; therefore renews its call

for the introduction of a binding energy efficiency target of 20 % for 2020 and for ambitious long-term targets for 2030 and 2050; insists that demand management, i.e. regulating the energy consumed by appliances and consumers for instance via differing energy prices that are not tied to specific hours or minutes, must be an integral part of European energy policy.

8. Calls for the Commission to examine infrastructure needs towards 2050, based on 100% renewables scenarios and taking into account ambitious energy saving policies;
9. Notes that significant risks are linked to energy infrastructure such as operational (e.g. congestions, continuity of supply), natural (e.g. earthquakes, floods), environmental (e.g. pollution, habitat and biodiversity loss) or anthropogenic/political (e.g. safety, terrorism); therefore calls for decisions on smart grids development to be implemented, as foreseen by EC Directive 2008/114 on critical infrastructures; suggests to the Member States to draw-up a mapping of risks as a tool for decision-making and monitoring the results of smart grids implementation in order to improve interconnectivity of grids;
10. Notes that before energy infrastructure investments are made, an analysis should be made of which investments are desirable and where coordination between Member States is needed; believes that these analyses should take into account the benefits of sustainable energy production;
11. Calls for analysis to identify possibilities to minimise infrastructure through energy efficiency policies, and as priority consider upgrading of existing infrastructure and building new infrastructure alongside existing electricity or transport infrastructure where available;
12. Notes that differences between national regulations can form obstacles to efficient investments; asks the Commission to investigate these obstacles and to come with possible solutions;
13. Notes that apart from the capital and operational costs, significant environmental costs arise from the construction, operation and decommissioning of energy infrastructure projects; emphasises the importance of accounting for these environmental costs in the cost-benefit analysis using the life cycle costing approach
14. Calls for the adoption of the highest possible safety and environmental standards for all energy infrastructures, inter alia through cooperation programmes between Member States, in order to address public reservations and promote greater public acceptance; recommends to the Member States to provide adequate information to citizens, civil society, economic operators and social-partners about the necessity of upgrading and modernising energy infrastructure in order to increase the reliability of energy networks, improve the security of supply and the integration of renewable energy sources, and enable consumers to benefit from new technologies and intelligent energy use in order to increase energy efficiency;
15. Takes the view that a EU approach to improving Europe's energy infrastructure is necessary as a single Member States cannot achieve this on its own; notes that

environmental benefits do not necessary occur in those countries that make the required investments; moreover, emphasises the need to think about long term objectives as energy infrastructure planned today must be capable of lasting for several decades;

16. Calls on the Member States to modernise their national energy grids and interconnect them with a European super smart grid while providing major energy storage capacities within the EU (including multi-use gas/hydrogen facilities, large and small hydropower, high-temperature solar and other technologies) and a stable and secure flow of affordable energy; furthermore stresses the need for all grids to be adapted, in a way that allows for unhindered feed-in of electricity generated by renewable energy and for the full use of opportunities for the best possible environmental outcomes in the routing of power lines, and the need to modernise the grids in order to avoid losses of energy; stresses also the need to take further action to connect isolated territories (e.g. islands and peripheral regions) to the European electricity grid;
17. Calls the Commission, while developing energy infrastructure plans, to take into consideration the potential danger of carbon leakage, especially in countries with extensive borders and geographical proximity with non-EU countries; calls on the Commission to monitor electricity imports and be prepared to introduce measures to require for importers to surrender ETS allowances if it detects unfair competition in the internal market;
18. Notes the importance of research and innovation in the field of energy in order to accelerate the transition towards a sustainable economy;
19. Welcomes the Commission's proposal to speed up permit granting procedures and make them more transparent; stresses the need to increase and clarify the early provision of public information, participation by local people in the decision-making process and citizens' right of appeal against local authority decisions, which can improve public trust and acceptance of the installations; to that end draws attention to the usefulness of online publication of plans with access for all interested parties.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	24.5.2011
<b>Result of final vote</b>	+:           56 -:           3 0:           1
<b>Members present for the final vote</b>	Elena Oana Antonescu, Kriton Arsenis, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Sandrine Bélier, Sergio Berlato, Milan Cabrnoch, Martin Callanan, Nessa Childers, Chris Davies, Esther de Lange, Anne Delvaux, Bas Eickhout, Edite Estrela, Jill Evans, Karl-Heinz Florenz, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Nick Griffin, Françoise Grossetête, Jolanta Emilia Hibner, Dan Jørgensen, Christa Kläß, Holger Kraemer, Jo Leinen, Corinne Lepage, Peter Liese, Kartika Tamara Liotard, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Vladko Todorov Panayotov, Gilles Pargneaux, Andres Perello Rodriguez, Sirpa Pietikäinen, Mario Pirillo, Vittorio Prodi, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Daciana Octavia Sârbu, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Salvatore Tatarella, Michail Tremopoulos, Åsa Westlund, Sabine Wils, Marina Yannakoudakis
<b>Substitute(s) present for the final vote</b>	Matthias Groote, Riikka Manner, James Nicholson, Marit Paulsen, Rovana Plumb, Marianne Thyssen, Michail Tremopoulos, Marita Ulvskog, Vladimir Urutchev