



Summary

The energy question is becoming ever more important. Proper management of energy resources is a strategic challenge that will determine our economic development and even the preservation of our way of life. Looking further into the future,

failure to grasp energy-related problems could be seriously prejudicial to the future of our planet (global warming).

Because of the rise in prices of fossil fuels resulting from the gradual exhaustion of resources and the political instability reigning in the principal production zones, the disputes over gas between Russia and certain former Soviet republics, massive electricity blackouts, etc, public opinion is now particularly sensitive to these new threats and is looking to decision-makers, at both national and European level, to draw up policies capable of responding to these concerns.

Over the past two years, European institutions have in fact taken an increasing number of initiatives in the energy field. This work has, in particular, identified the following three major objectives:

- **combating global warming**, which implies the definition of an energy mix compatible with environmental constraints (reduction in emissions of greenhouse gases),
- **ensuring security of supply**, an ever-growing concern, given the growing dependency of EU Member States on imports of energy, and
- **safeguarding the competitiveness of the European economy**.

Despite this work, the only tangible achievement in the energy field in Europe, and one that is still incomplete, concerns the liberalisation of the gas and electricity markets. Apart from the fact that this policy is sometimes badly

perceived by European populations, being regarded as responsible for the current rise in prices, Europe cannot be satisfied with tackling just this aspect of affairs.

In this respect, energy provides an opportunity to re-launch the construction of Europe both internally (drawing up of a joint agreement regarding energy options, R&D programmes, energy saving, etc) and externally (the Common foreign and security policy should be developed by fully incorporating the strategic dimension of energy). **This is no mean challenge, since for it to be met Member States have to agree to break the “taboo” of exclusive national competence as regards the energy mix.**

It is on the basis of this observation that the members of the working group have attempted to define the principles that should underpin a European energy policy and, on the basis of concrete propositions, have set out its strong points and its limitations.

Three main guidelines for action have been identified by the working group:

- The first is **geographic and intergenerational solidarity**.
- The second is **subsidiarity**, in the sense of the need “to act together at the most appropriate level”. Since a purely national response would not permit sufficiently effective capacity of action, a policy at European level has to be envisaged, to be articulated with maintained national competence. This is a major challenge for Europe, since it will be necessary to get Member States to accept no longer being the sole masters of their energy choices and to get European citizens to agree to transfer to the European level large swathes of their national energy policies.
- The last is **effectiveness**, which means that Europe must provide itself with the instruments that are indispensable for the implementation of policies it deems appropriate. While the statutory basis for this exists, Europe still has to provide itself with the necessary means for action.

Proposals

1. Creation of an independent High Authority as a forum for consultation and joint definition of Europe's major energy options. Its purpose will be both reflection and action and it will have the task of drawing up scenarios and proposing options, both to the European institutions and to the Member States, based on a joint definition of priorities.

2. Introducing, on the basis of clearly defined objectives, "energy convergence pacts" between Member States wishing to participate in them.

These pacts should include measures introduced by certain countries and capable of being progressively extended to all 27 Member States:

- Action in the field of research and industrial development concerning CO₂ capture, renewable forms of energy and nuclear energy
- Integrated management of the equilibrium of the electricity transport networks, through a common "dispatcher"
- Common guidelines for investment in production
- Common measures for crisis management
- A common position in bilateral negotiations or in multilateral fora.

3. Requiring of each EU Member State that by 2050 at least half the energy sources it uses should be non-CO₂-emitting, which implies that by 2030 50 % of the electricity it produces should be from non-carbon sources.

4. Creation of a "citizens' programme" for the encouragement of energy saving.

- Launch a co-ordinated awareness-arousal programme
- Make compulsory, notably for landlords, the installation or replacement of doors and windows and other openings, in both residential property and professional premises, using products having a certain minimal insulation performance
- Eliminate from the existing financial incentives or tax exemptions all provisions excluding certain types of building, professional or residential
- Improve the exploitation of the possibilities of "induced demand reduction" (in other words, abstention from consumption during a given period of high overall demand), including for private customers
- Concerning CO₂ emission quotas:
 - approve each national allocation plan, economic sector by economic sector, in order to ensure a minimum of harmonisation
 - allocate emission permits through an auction system, on condition that there is competitive equality with other industrialised countries
 - include all means of transport, professional or personal, in the quota mechanism.

5. Putting European competition policy effectively at the service of the three priorities of the European energy policy.

- Encourage EU-wide trans-national mergers
- Adopt a more positive attitude towards long-term contracts or grouped purchasing
- Allocate the same level of priority to combating government practices resulting in compartmentalisation of markets as to combating firms' practices
- Improve the co-ordination of national regulators through the creation of a specific organisation bringing together European regulators and having real powers
- Draw up a multi-year programme at European level for priority investment in infrastructure
- Create a specific procedure for taking European interests into account in examining the public utility of infrastructure investments
- Improve the independence of management of operators of transport and distribution networks, without imposing separation of asset ownership
- Co-ordinate at European level national mechanisms for energy crisis management.

6. Defining the priorities of a technological and industrial strategy.

- Develop European poles of excellence and technological mastery in two sectors in which the European Union has technological and mineral resources: nuclear energy (safety and 4th-generation prototype) and "clean coal" (carbon sequestration)
- Revive the promotion of the development of peaceful uses of the atom.

7. Implementing a common foreign policy in the energy field.

- Exert pressure on the large energy-consuming countries (United States, China, India, etc.) in the framework of direct negotiations in order to bring them to take their full responsibilities in the fight against global warming
- Failing success in this respect, introduce a "compensatory tax" on products from countries that do not apply the Kyoto undertakings
- Establish partnership relations between the authorities and European private operators in order to ensure proper dissemination of the information available from all players and prepare joint strategies for action vis-à-vis the producing countries
- Introduce measures (legislation of the "Scott-Rodino" type) to limit investments by countries that restrict access by European firms
- Impose prior European-level coordination before any bilateral governmental negotiations (especially with Russia) and in the event of failure of the co-operative approach with that country, not to hesitate to adopt internal measures aimed at defending European interests
- Strengthen Europe's presence, in the political, economic and even military fields, in other countries or regions such as Turkey and the Caucasus
- Ask the WTO to include energy in its policies and use its instruments and procedures not only to promote the protection of investment but also the liberalisation of public procurement and the application of the principle of non-discrimination in trade matters.