

**EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY COMMITTEE**

29th Meeting

14-15 November 2007, Strasbourg

Energy and Climate Change: Implications for the EEA

Co-rapporteurs: Mr Svein Roald HANSEN (Labour Party, Norway)
 Mr Paul RÜBIG (EPP-ED, Austria)

adopted unanimously

RESOLUTION

on

Energy and Climate Change: Implications for the EEA

The EEA Joint Parliamentary Committee of the European Economic Area:

- A. Having regard to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), and the Stern Review on the economics of climate change,
- B. Recognising the increasing consensus among scientists that global warming is the result of human activities and could be irreversible,
- C. Recognising the urgency of the climate change issue and the absolute need to change the way the world currently conducts its business due to the wide-reaching and potentially disastrous impact of climate change on the environment, the economy, and the society as a whole,
- D. Having regard to the European Commission's Communication on European values in a globalised world of 20 October 2005,
- E. Having regard to the European Commission's Green Paper on a European strategy for sustainable, competitive and secure Energy of 8 March 2006, and the Presidency Council Conclusions of 23-24 March 2006,
- F. Having regard to European Commission's Communication on an energy policy for Europe of 10 January 2007, and the Presidency Council Conclusions of 8-9 March 2007,

- G. Having regard to the current work undertaken by the European Parliament on energy policies and climate change, including the Temporary Committee on Climate Change,
- H. Recognising the significance of the Kyoto Protocol as an important step for reducing greenhouse gas emissions, opening up for the signatories to, in addition to national initiatives, use the Kyoto mechanisms such as emission trading, joint implementation and clean development in their overall strategies to reduce emissions,
- I. Underlining that the EEA EFTA States are direct parties to the UNFCCC and the Kyoto Protocol, and that they undertake individually their Kyoto Protocol commitments and are not bound by the joint commitments of the European Community and its Member States, or by any other rules than the ones laid down for each EFTA Member State individually in the Kyoto Protocol,
- J. Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, and the Commission Decision 2004/156/EC of 29 January 2004 establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC,
1. urges the relevant authorities to focus on the two main challenges and considerations for Europe with regard to energy and environmental policies: how to tackle climate change and its effects on the environment, economy and society at large, while at the same time securing future energy supplies;
 2. welcomes the March 2007 EU Council's initiative for an ambitious energy policy for Europe and the agreed targets for 2020 with regard to greenhouse gas emissions (20% reduction), energy efficiency (20% saving), renewable energy sources (20% share of overall EU energy consumption), and biofuels (10% share of overall EU transport petrol and diesel consumption);
 3. highlights specifically the key objective of increased energy efficiency since this has the potential of being the biggest single source of emissions savings in the energy sector, and can also contribute to less dependency on energy import and considerable cost savings; and asks for an international conference on energy efficiency in order to set targets for considerable efficiency improvements worldwide;
 4. underlines that the costs of stabilising the climate – through reducing demand for emissions-intensive goods and services, increased efficiency, action on non-energy emissions, and switching to low-carbon technologies - are significant but manageable and that the benefits of strong and early action far outweigh the economic and social costs of not acting;

5. stresses the detrimental impact of global warming on the environment, economy and society as a whole and hence the need to take serious steps to reduce emissions; and underlines that a global challenge like climate change needs a global solution to create a level-playing field for all stakeholders in a global economy;
6. underlines that strong and immediate action to reduce emissions should be seen as an investment in the future, and that wise investments made today will not only be manageable, but will create a wide range of opportunities for growth and development;
7. welcomes the use of emission trading as an efficient mechanism to reduce greenhouse gas emissions, and as an important tool for many countries and regions to fulfil their Kyoto commitments, and urges relevant authorities to assist operators to develop mechanisms to reduce their emissions in a cost-effective way and to encourage investments in new and clean energy;
8. welcomes the incorporation of Directive 2003/87/EC to the EEA Agreement to establish an EEA-wide emission trading regime in compliance with relevant EEA competition and state aid rules;
9. urges the relevant authorities to clarify the role and competences of the EFTA Surveillance Authority (ESA) under Directive 2003/87 and to facilitate close cooperation between the Authority and the European Commission with respect to assessing national allocation plans;
10. underlines that it is particularly important to ensure equal conditions for emission trading throughout the EEA to avoid competitive disadvantages in the market and environmental dumping, and while stressing the right and competence of each EEA EFTA Member State to develop national allocation plans reflecting national conditions and concerns, the allocation of allowances also needs to be compatible with agreed principles and EEA law;
11. stresses that there are diverse conditions in the States that are party to the EEA Agreement, including the EEA EFTA States, due to these States' differences in their energy and production sectors and the importance of renewable energy in meeting the objectives of the UNFCCC and due to differences in energy saving measures and in commitments under the Kyoto Protocol;
12. notes the possible extensions of the emission trading scheme to new sectors, including international transport and emphasises that the concerns of the countries most affected such as Iceland, which is particularly dependent on this mode of transportation due to geological location, must be taken into consideration when extending the scheme; and asks in this context for sectoral targets on a global level;

13. supports the development of a regulatory framework for the introduction of technologies in the field of capture and geological storage of CO₂ and welcomes the active part the Norwegian Government has played in this development;
14. welcomes the huge potential existing for renewable energy sources in Europe, which through its diversification of the overall energy mix should contribute to less dependency on oil and gas import and reduce green house gas emissions;
15. underlines that the EEA EFTA States are examples of countries which have highly developed renewable energy resources and emphasises the importance of this high expertise to be utilised in the EEA, for example in the field of geothermal energy production;
16. stresses the need to develop a global solution to a global crisis in order to be able to reverse the otherwise serious effects of global warming and to create a level-playing field for companies and workers in face of global competition; urges the EU and the EEA EFTA States to seek, together with international partners, an ambitious global target of 30% reduction of green house gasses by 2020;
17. urges the EEA EFTA States, while recognising their full independence in setting their own energy targets and deciding their own energy mix, to follow up with energy policy proposals as ambitious as those of the EU, and to work closely with the EU and other international partners to reach common objectives in the field of energy;
18. encourages the 30 EEA States to make the necessary efforts to ensure a uniform application and enforcement of the EEA relevant legal framework of the internal energy market; a sufficiently stable regulatory framework, and better coordination and cooperation of the national regulators at the European level is needed in order to harmonise the national markets towards a common market;
19. encourages the relevant authorities to explore the possible impact of EU initiatives on the EEA EFTA States with regard both to security of supply and to the extension of the internal energy market through the Energy Community Treaty;
20. calls on the EEA Council to put energy policy high on its agenda and to discuss how the EU and the EEA EFTA States can work closely together to reach common, ambitious goals with regard to climate change and sustainable development, increased security of energy supply, and a more efficient internal energy market.