

## **P6\_TA-PROV(2006)0110**

### **Security of energy supply in the European Union**

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

*The European Parliament,*

- having regard to Rule 103(4) of its Rules of Procedure,
- A. whereas energy security should be considered an essential component of the global security concept and has an increasing impact on the overall security of the European Union,
- B. whereas the Commission has adopted a Green Paper on a European strategy for sustainable, competitive and secure energy (COM(2006)0105),
- C. whereas there are three main objectives for EU energy policy: security of supply, competitiveness and protection of the environment,
- D. whereas the EU-25's import dependency for energy is 48% (2002) and is projected to rise to 71% by 2030 if no additional measures are taken, and whereas certainty of supply is one of the most important conditions for energy security,
- E. whereas 76.6% of the EU's demand for oil, 53% of its demand for gas, 35.4% of its demand for coal and almost 100% of its demand for uranium and uranium products is met from imports,
- F. whereas primary energy consumption in the EU-25 was 1700 million tonnes of oil equivalent (Mtoe) in 2005, of which 38% was oil, 23% gas, 18% coal/solid fuels, 15% nuclear energy and 6% from renewable energy sources (RES),
- G. whereas, in 2004, the industrial sector accounted for 28% of the final energy use in the EU-25, transport for 31% and buildings for 41%,
- H. whereas, in the EU-25, 31% of the gross electricity generation is nuclear, 25% is from solid fuel (predominantly coal), 18% is from gas, 14% from RES and 5% from oil,
- I. whereas final energy intensity in the EU-25 has consistently decreased, so that in 2004 only about 70% of the energy used in 1980 was required for a unit of economic output; whereas overall primary energy consumption in the EU-25 has increased at an average rate of 0.8% per year, equivalent to 0.5% per capita per year over the same period,
- J. whereas 59% of the oil consumed in the EU-25 in 2004 was used by the transport sector, 17% was used in buildings, 16% was used for non-energy purposes and 8% was used 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,
- K. whereas 29% of the gas consumed in the EU-25 in 2004 was used for the production of electricity, with the remaining 71% used for other purposes (industry, housing, etc.),
- L. whereas demand for coal in the EU has been decreasing for many years, and import dependency is already 35.4% and rising as a proportion of consumption of coal,
- M. whereas thirteen Member States generate nuclear electricity and certain Member States have a declared policy of phasing out nuclear power,
- N. whereas the EU energy market is, at the present time, not integrated and not sufficiently competitive,

- O. 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,
- P. whereas Parliament and the Council are about to adopt Directive 2006/32/EC on energy end-use efficiency and energy services requiring Member States to produce a series of action plans setting out their energy-saving strategies over the next nine years,
- Q. whereas RES are mainly indigenous sources and could be used in all sectors, i.e. electricity, heating and cooling, and transport,
- R. 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,
- S. 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,
- T. whereas energy is a vital resource for economic growth, employment and social development and whereas disturbances in the supply of energy may create instability and can endanger peace,
- U. whereas the agreement between Russia and Algeria could be the first step towards the establishment of a gas 'OPEC' given that Russia and Algeria are among the EU's leading gas suppliers, which would have a major medium- and long-term impact on gas prices and security of supply;

### ***Speaking with one voice***

1. Welcomes the new Commission Green Paper on a sustainable, competitive and secure energy policy for Europe; notes, however, that the Green Paper does not propose new targets or advance concrete proposals that would respond to recent calls for a common energy policy; urges the Commission and the Council to ensure a rapid political process in order to achieve a more ambitious European energy policy which includes a concrete plan of action as soon as possible; demands that Parliament be fully consulted in that process;
2. Notes that the Green Paper fails to address vital sectors that rely heavily on imported sources of energy, in particular transport and aviation; considers that the Green Paper is less ambitious with regard to transport than the Commission's Final Report on CARS-21;
3. 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 must be connected with foreign and security policies; calls on the Commission to respond to recent calls for a common energy policy;
4. 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 with a view to organising the demand side and combining their efforts in counterbalancing the oligopoly

- on the production side; insists that this strategy should also promote best technologies for energy saving and efficiency and the use of alternative energy sources;
5. 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 in relations with Russia in the energy sector;
  6. Agrees with the Council that a common view on a strategy for security of supply should respect Member States' geographical, economic, regional, climate and structural differences;
  7. Calls on each 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;
  8. Stresses that an active policy in support of democratic reforms, the development of civil society and social progress in the energy-producing countries and those with transit facilities will contribute substantially to long-term political stability, which is necessary for security in the supply and distribution of energy;
  9. Calls on the Commission and the Council to propose an internationally recognised mediation system for cases of conflict and dispute concerning the delivery and distribution of energy; believes that the EU could initiate such a process by developing a mediation system both as part of its neighbourhood policy and also with other key supplier countries, and could actively promote this mediation system globally; considers that the EU should develop a model approach to the international management of energy distribution;
  10. Stresses the importance of including in the new energy diplomacy of the EU a constructive dialogue with all major consumers of energy and notably emerging economies on energy efficiency and energy conservation, with the aim of setting minimum efficiency standards for global goods like cars, appliances, consumer electronics and office equipment, to be harmonised in phases, and promoting at global level the integration of the environment into transport and energy decisions;
  11. Insists that new strategies should be developed to reduce the possibilities of uranium and nuclear waste being used for the production and proliferation of nuclear weapons; therefore urges the Commission, the Council and the Member States to give their fullest support to the IAEA proposals to multilateralise the supply of fissile material for nuclear energy production;

### ***Solidarity in the EU***

12. Stresses that an essential element of a common energy policy should be enhanced solidarity between Member States in order to deal with difficulties related to the physical security of infrastructure and security of supply; considers, furthermore, that such enhanced solidarity would considerably strengthen the capacity of the EU to defend its common interest on energy issues at international level;
13. Advocates strengthening the European Neighbourhood Policy, placing special emphasis on cooperation with the neighbouring countries in the energy field, including transportation infrastructure, to which special financial assistance should be provided;

calls for the inclusion of energy policy cooperation in the Action Plans being elaborated under the European Neighbourhood Policy;

14. Calls for an approach based on fairness and shared responsibility in carrying out energy policy at national level, so that, when strategic decisions are taken, those partners among Member States which might be affected by the decisions are also consulted;

#### ***A well functioning internal market***

15. Strongly holds the view that an essential part of the maintenance of security of supply is the rapid transposition of existing EU provisions by all Member States in order to achieve a fully functioning internal market in electricity and gas, thereby enhancing competitiveness, transparency and energy efficiency;
16. Is deeply concerned, therefore, about the distortion in the internal market caused by protectionist support for national market leaders, and urges the Commission to ensure full implementation of the internal market rules to ensure fair and non-discriminatory competition and avoid the formation of oligopolistic energy markets;
17. Calls on the Commission to react strongly to the market dominance and market imperfections as described in the sector inquiry forwarded by DG Competition on 16 February 2006 and to submit new proposals for combating market dominance and market imperfections with a concrete set of actions and instruments; calls for closer cooperation between European and national competition authorities in order to give a coordinated and truly European answer to the emerging national economic patriotism;
18. Calls on the Council to accept Parliament's position on priorities regarding the trans-European energy networks (TENs) in order to complete the missing links in the TENs , so as to avoid bottlenecks, improve security of supply and complete the internal market by supporting specific projects where appropriate;
19. 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 unbundling supply and distribution functions, while at the same time ensuring competition between distributors;
20. Considers that the evolution of the Kyoto framework after 2012 needs active consideration now, to allow the markets to take into account the cost of carbon in major investment programmes, given that European competitiveness and growth are already being challenged by higher labour and electricity costs;

#### ***Sustainable energy sources***

21. Urges the Commission to propose concrete measures on energy and invest urgently and massively in a truly energy-efficient economy in order to diminish drastically our dependency on fossil fuels and to become the most energy-efficient economy in the world by 2020; urges the Commission furthermore to always insist on the key role that energy conservation and energy efficiency play in reducing energy dependency;
22. Stresses the enormous innovation gap that currently exists in the energy sector and calls on the Commission to prepare a road map to speed up market penetration of existing best practice and best technologies in sectors like lighting, appliances, office equipment, consumer electronics, buildings, cars and decentralised electricity production, using a set of instruments such as public procurement and innovative financing mechanisms such as third-party financing;

23. Stresses the exceptional importance of RES, along with energy efficiency, for a European energy policy for future energy supplies; asks the Commission and the Council, therefore, to come forward with new, ambitious targets for the period after 2010 and actions in this field to guarantee faster development in every Member State; insists that there should be a directive on heating and cooling from RES, as advocated by the Parliament, to ensure further market penetration by RES in the heating sector;
24. 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 by 2010 and continues to endorse Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market<sup>1</sup>;
25. Welcomes the new initiatives by the Commission in its Biomass Action Plan (COM(2005)0628) and its EU strategy for biofuels (COM(2006)0034) and calls on all EU institutions to speed up efforts to use the potential of RES from biomass while paying due attention to environmental considerations;
26. 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; notes that biomass in general can help meet energy needs in the EU by conventional combustion; calls on the Commission, in view of the benefits from the additional income for the agriculture and forestry sector, 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;
27. Recognises the growing importance of gas, as its share in total energy rises, and the need to use different strategies to ensure the security of gas supply, such as the development of liquefied natural gas (LNG) terminals and storage facilities as well as new pipelines;
28. Believes that nuclear energy is a part of the European political debate on the energy mix; 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 as a way of avoiding CO<sub>2</sub> emissions; Considers that decisions on whether nuclear energy production should continue to play a role in some Member States can only be taken at Member State level within the framework of subsidiarity;
29. 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 respect, deeply regrets the delay in bringing forward proposals for the transport sector; notes the economic potential of saving a minimum of 20% of energy consumed and notes that this potential will rise with increasing energy prices, technological improvements and economies of scale;
30. Notes that the building sector, which accounts for over 40% of all energy use in the EU, is the single biggest energy-consuming sector; notes, further, that rising energy prices not only affect the economy as a whole but, above all, the socially disadvantaged; encourages the Commission and the Member States to engage in a coordinated effort to upgrade European building stock, in which innovative financing solutions are proposed in close collaboration with the European Investment Bank;

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<sup>1</sup> OJ L 283, 27.10.2001, p. 33.

31. Recognises that the development of urban heating and cooling networks is key to enhancing the security of energy supply of buildings since it allows greater flexibility of fuel use; notes that combined heat and power and tri-generation are technologies which should be promoted and which could not only contribute to a larger share in energy supply for RES, but also improve energy efficiency, while industrial cogeneration is also a key way of reducing the volatility of energy prices for big industrial consumers;

***Research and development***

32. 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;
33. Notes that there is considerable room for a further improvement in RES and for a global market in new equipment and systems based on RES, and calls on the EU to ensure that renewable energy technologies are endowed with sufficient resources in the Seventh Framework Programme for Research and Development and to help SMEs in this sector to use their leadership in technology to achieve success on the global market;
34. Notes that all the forecasts concur that even in the long term conventional power stations will continue to account for a large share of electricity generation and is therefore in favour of promoting R&D into the efficiency of such power stations and ways of increasing it;
35. Believes that knowledge of nuclear fusion technology and its application are of strategic value and should be further developed in the EU;
36. Notes that voluntary agreements would also be useful in increasing research and development efforts by oil and gas companies, as part of their corporate social responsibilities, to develop new technologies in the energy field;
37. Requests that research into biomass, into all RES, including wave and tidal power and energy storage, and into coal gasification technology be carried out, under the Seventh Framework Programme in order to reduce pollutant emissions and create a world market;

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38. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.