

Texts adopted by Parliament

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**A European strategy for sustainable,
competitive and secure energy**

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►European Parliament resolution on a European strategy for sustainable, competitive and secure energy – Green paper (2006/2113(INI))

The European Parliament ,

- having regard to the Commission green paper - A European Strategy for Sustainable, Competitive and Secure Energy (**COM(2006)0105**)⁽¹⁾ ,
- having regard to the joint paper by the Commission and the High Representative on the external aspects of energy policy, submitted to the European Council of 15-16 June 2006,
- having regard to its position adopted at second reading on 8 March 2005 with a view to the adoption of a European Parliament and Council Regulation on conditions for access to the natural gas transmission networks⁽²⁾ ,
- having regard to its position adopted at first reading on 26 October 2005 on the proposal for a regulation of the European Parliament and of the Council determining the general rules for the granting of Community financial aid in the field of the trans-European transport networks and energy⁽³⁾ ,
- having regard to its position adopted at second reading on 13 December 2005 with a view to the adoption of a directive of the European Parliament and of the Council on energy end-use efficiency and energy services⁽⁴⁾ ,
- having regard to its position adopted at second reading on 4 April 2006 with a view to the adoption of a decision of the European Parliament and of the Council laying down guidelines for trans-European energy networks⁽⁵⁾ ,
- having regard to its position of 18 May 2006 on the proposal for a Council decision on the conclusion by the European Community of the Energy Community Treaty⁽⁶⁾ ,
- having regard to its position of 16 November 2005 on the proposal for a Council regulation on the implementation of Protocol No 9 on the Bohunice V1 nuclear power plant in Slovakia, as annexed to the Act concerning the conditions of accession to the European Union of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia⁽⁷⁾ ,
- having regard to its resolution of 16 November 2005 on the use of financial resources earmarked for the decommissioning of nuclear power plants⁽⁸⁾ ,
- having regard to its resolution of 16 November 2005 on "Winning the Battle against Global Change"⁽⁹⁾ ,
- having regard to its position of 14 December 2004 on the proposal for a Council directive imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products (Codified version)⁽¹⁰⁾ ,
- having regard to its position adopted at first reading on 5 July 2005 on the proposal for a directive of the European Parliament and of the Council concerning measures to safeguard security of electricity supply and infrastructure investment⁽¹¹⁾ ,
- having regard to its position of 5 July 2006 on the proposal for a Council directive on the supervision

and control of shipments of radioactive waste and nuclear spent fuel⁽¹²⁾ ,

- having regard to its resolution of 14 February 2006 with recommendations to the Commission on heating and cooling from renewable sources of energy⁽¹³⁾ ,
- having regard to its resolution of 29 September 2005 on the share of renewable energy sources in the European Union and proposals for concrete actions⁽¹⁴⁾ ,
- having regard to its resolution of 23 March 2006 on security of energy supply in the European Union⁽¹⁵⁾ ,
- having regard to its resolution of 1 June 2006 on Energy efficiency or doing more with less: Green Paper⁽¹⁶⁾ ,
- having regard to the Presidency Conclusions of the European Councils of 23-24 March 2006, concerning the European Council's endorsement of the Green Paper on an Energy Policy for Europe, and of 15-16 June 2006 concerning the Joint Paper by the Commission and High Representative on the External Aspects of Energy Security,
- having regard to deliberations of the Public Hearing organised by its Committee on Industry, Research and Energy on the subject on 12 September 2006,
- having regard to the Treaty establishing a Constitution for Europe under which energy is a field in which there is shared competence with the Member States,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism and the Committee on Regional Development (**A6-0426/2006**),

1. Welcomes the Commission's green paper on a European strategy for sustainable, competitive and secure energy, but emphasises the need to acknowledge the ever changing conditions in the broader global energy market and highlights the importance of extending the producer perspective to a systematic approach that takes account of production, distribution and consumption in order to develop a European energy policy securing affordable energy as far as possible from low-carbon sources in the short term and carbon free sources in the medium term and indigenous resources, respecting market mechanisms, whilst protecting the environment, combating climate change and promoting energy efficiency;

2. Stresses that the Commission stated in its green paper that EUR 1 trillion needs to be invested in the European energy market in order to secure energy supplies in Europe in the long term; also notes that it cannot be assumed that these resources can be funded from the public purse and that it is therefore important to involve energy industry operators in the European Union in the further development of the consensus on energy policy;

3. Urges the 2007 Spring European Council to adopt an action plan, which should at least contain the following elements: for consumers to be placed at the centre of energy policy, a radical reform of the EU Emissions Trading Scheme (ETS) to guide the market into investment in a low carbon economy which should be driven by a set target for EU carbon emissions by 2020 including a target of 25% of energy from renewable sources by 2020 and a binding target for car emissions, a step change in energy efficiency, reinforced efforts to implement unbundling in letter and spirit, including full ownership unbundling of energy networks in the event that other measures do not prove effective, minimum binding guidelines set out for regulators, including a procedure for the nomination of regulators, independence, transparency and accountability, an ambitious R&D strategy on clean energy technologies, a common foreign energy policy strategy and full implementation of all current EU energy legislation;

Sustainability

Climate Change

4. Recognises that climate change is causing serious environmental problems requiring immediate EU and international action; believes that by 2050 the overwhelming proportion of EU energy needs must come from carbon free sources or be produced with technologies which withhold greenhouse gas emissions, with a focus on energy saving, efficiency and renewable energies and that there is therefore a need to set out a clear roadmap for attaining this objective; urges EU leaders to agree by the end of next year on a binding 2020 CO₂ target and an indicative 2050 CO₂ target and further believes that:

- a) the Commission should propose a revision of the ETS including economically acceptable management of ETS credits such as a progressive move towards auctioning or benchmarking based on output; the ETS scheme should be based on a careful evaluation of economic and environmental impacts, a comprehensive assessment of the allocation methodologies, a review of the penalty scheme,
- b) during the second ETS financing period (2008-2012), financial resources should be allocated in a way that leads to action being taken to reduce CO₂ emissions and energy consumption,
- c) a cap and trade emissions regime should be extended internationally and should run for a longer period than at present,
- d) the ETS should include additional large emitting sectors including all modes of freight transport; a strategy to cut emissions from ships should be developed, following an impact assessment, and a separate system for aviation should be set up as soon as possible,
- e) given the volatility of prices for emission certificates, the Commission should consider mitigation option; such options should include the promotion of confidence in the market by increasing market transparency, e.g. through the timely and uniform publication of emissions data throughout the EU, as well as extended use of the flexible mechanisms of the Kyoto Protocol (Joint Implementation and Clean Development) to increase market liquidity,
- f) the Commission should examine by 2007 in which way national allocation methods should be further harmonised and how the ETS methodology may be simplified and rendered transparent, in line with stock market rules;
- g) the Commission should produce a report on the possible need for regulation of the carbon offsetting market;

Research , Development and Innovation

5. Calls for the 2007 Spring European Council to ensure that the future energy policy of Europe is backed up by an ambitious R & D strategy in the field of energy including more adequate public funding and strong incentives for increased private R & D funding, fulfilling corporate social responsibility obligations; encourages Member States to set out a strategy for increasing the budget for energy research, especially when there is a mid-term review of the budget for the Seventh Framework Programme for research, technological development and demonstration activities (FP7) and for the Intelligent Energy – Europe Programme; calls for a European strategic energy technology plan and hopes that its content will cover research fields focusing on new energy technologies in the medium and long term, including in particular energy storage;

Energy Efficiency and Saving

6. Calls on the Commission to ensure that the contribution of hydrogen and fuel cells applications to accelerating the transition from fossil fuels to an efficient and CO₂ lean energy and transport system is reflected in EU's short term energy and transport policy actions and by supporting bodies;

7. Recalls that the EU must remain a key player in initiatives such as the International Partnership for the Hydrogen Economy (IPHE)⁽¹⁷⁾ or the International Thermonuclear Experimental Reactor (ITER)⁽¹⁸⁾ ;

8. Calls on the Commission and the Member States to create a road map for climate-friendly and environmentally-friendly innovation based not only on technological innovation but also on developing strategies to increase the market penetration of the best available technologies and organisational improvements, e.g. in the logistic sector;

9. Calls on the Commission to carry out an energy audit on existing technology platforms in order to improve coordination and the exchange of expertise;

10. Notes that research in the field of energy technologies is an important step to opening up export markets; therefore calls on the Commission to continue supporting research into all sources of energy

(conventional, nuclear and renewable) so that Europe, as well as exploiting such research for its own purposes in the Member States, may also open up export markets;

Investments

11. Recalls the need for significant investment in electricity and gas infrastructure in order to secure energy supply in Europe; requests the Commission to:

- a) contribute to the creation of a favourable investment climate,
- b) ensure that markets are allowed to send the right investment signals to investors;

12. As electricity networks will have to adapt to the growing share of renewable energies and decentralised generation, calls upon the Commission and the Member States to further promote research into the necessary information and communication technologies;

13. Encourages the involvement of regional stakeholders in energy issues, as many problems find their solution through investment at regional and urban level, especially solutions favouring the use of diverse and renewable energy sources; emphasises the potential for SME entrepreneurship in energy investments and the role that sustainable energy investments (i.e. in biomass, biofuels and district heating) can play in regional and urban development; therefore asks Member States and the Commission to involve regional and local authorities in these issues so as to commit even more strongly to the promotion of renewable energy sources within the overall energy mix;

14. Draws attention to the problems that border regions encounter because of the differences in national energy policies, the lack of information-exchange between Member State energy providers and the lack of a harmonised EU energy policy;

15. Stresses the positive impact that the promotion and development of renewable energy technology has on the creation of new, long-term and highly-skilled jobs;

Security of Supply Energy Efficiency and Energy-Saving

16. Calls on the Council and Commission to adopt measures to make the EU the most energy efficient economy in the world by 2020 and to set energy efficiency measures as a horizontal priority for all policy sectors in the EU; calls on the Commission to ensure timely implementation of EC directives in the field and urges the Council to adopt the proposals in the energy efficiency action plan and Member States to use best practice as a basis for their national energy efficiency action plans, to be submitted by June 2007; urges the Commission to make available enough staff at all levels to transform the measures proposed in the action plan into concrete actions; recalls that if Member States were to fully implement existing EU legislation, 50% of the EU target to save 20% of energy by 2020 would already be met; calls on the President of the Commission to promote a global energy efficiency agreement;

17. Points to the fact that there are very promising technologies available for use in combined heat and power and cooling processes and that district heating also offers an infrastructure for future renewable energy sources; urges therefore national governments to fully implement the existing directive on combined heat and power and to put in place the necessary legal and financial conditions to fully use the potential for combined heat and power, as identified in the national potential studies;

18. Recalls that 40% of all EU energy is used in buildings and that there is a huge potential to reduce this consumption when planning new buildings and modernising existing buildings; urges the Commission to revise the existing buildings directive in order to include buildings below the 1000m² threshold; calls on the Commission to ensure that all EU institution buildings set an example by achieving carbon neutral status by 2012; believes that Member States should commit to ensuring that this is achieved also in all national government buildings and that this goal should be extended to local authority and regional buildings by 2015; urges the Commission to implement a programme aimed at the large scale deployment of passive and net positive energy houses and buildings in the EU;

19. Calls on the President of the Commission to host a meeting of representatives of the Member States' biggest cities for the purpose of exchanging their experience of local energy-reduction projects in an endeavour to reduce and make more efficient urban energy consumption; believes that serious

efforts should be made to increase the power derived from combined heat and power and cooling production and district heating; adds that these technologies are very promising for increasing the use of biomass and biofuels and emphasises that district heating offers an infrastructure also for future renewable energy sources; believes that the Commission should work closely with the Committee of the Regions on this matter;

20. Calls on the Commission, by spring 2007 at the latest, to submit implementing measures regarding energy-efficient products under Directive 2005/32/EEC of the European Parliament and of the Council of 6 July 2005 establishing a framework for the setting of eco-design requirements for energy-using products (EUP Directive)⁽¹⁹⁾ ;

21. Requests the Commission to help industry to develop and roll out smart metering and charging systems, possibly via intelligent metering system managed by remote mechanisms; calls upon the Commission to carry out a thorough cost-benefit analysis of these measures, taking on board changes in the behaviour of consumers;

22. Considers that taxation plays a prominent role in enhancing energy efficiency; believes that efforts should be made so that Member States' national tax systems discriminate in favour of energy efficient practices;

23. Draws the Commission's attention to the need for EU structural funds to be used, particularly in the new Member States, in the large-scale modernisation of the thermal insulation of housing, which will bring significant reductions in energy consumption and CO₂ emissions;

24. Calls for a comprehensive EU strategy in the transport sector, aiming at the phasing out of fossil fuel use, a reduction of EU dependency on oil and a gradual shift to clean energies for transportation; favours a shift towards the most energy efficient and clean transport modes, to be achieved notably through new legislation, including legislation relating to the automotive industry, and improving the market penetration of plug-in hybrid cars and fully electric vehicles;

25. Regrets that the Commission has enormous problems linking transport with the energy question; recalls that the transport sector is the cause of Europe's biggest security of supply problem and intense oil dependency, and that climate changing emissions from the transport sector are rising steeply, notably from aviation;

26. Stresses that many outlying and outermost regions have considerable potential in terms of renewable energies, linked to their geographical or climate-related characteristics (sunshine, wind, biomass, wave energy); hopes that more use will be made of this outstanding opportunity, particularly in order to make an active contribution to achieving the Kyoto objectives;

27. Calls on the Commission and the Member States to adopt practical measures to improve the energy efficiency of small and medium-sized businesses, including, in particular, measures to increase awareness and action to ensure easier access to funding, including funding from the structural funds, the EBRD and the EIB, to enable such businesses to invest in reducing energy consumption;

28. Hopes that greater energy efficiency will be encouraged in third countries and endorses the Commission's proposal to work towards the adoption of an international energy efficiency agreement;

29. Takes the view that the benchmark system agreed in Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services in order to achieve final energy efficiency is an economically rational, unbureaucratic and effective means of increasing energy efficiency and proposes that this system be used to a greater extent in other energy sector; asks the Commission to make efforts to accelerate the setting of common EU-wide benchmarks in all the relevant areas based on sectoral energy efficiency indicators in accordance with Article 16 of that directive;

Energy Mix

30. Believes that the diversification of energy sources along with increased use of indigenous sources and decentralised energy production will improve security of supply, but acknowledges the fact that decisions on energy mix in one Member State can affect security of supply in other Member States; regards the EU's dependency on a limited number of energy producers and supply routes as a serious

risk to its stability and prosperity; welcomes the introduction of a mechanism able to ensure solidarity and rapid assistance to Member States facing difficulties following damage to their infrastructure;

31. Considers it vital that the European energy strategy be based on maximum subsidiarity and that decisions concerning the energy mix should remain the prerogative of the Member States;

32. Welcomes the high efficiency and high renewables scenario from July 2006 presented by DG TREN of the Commission and the study commissioned by Parliament's Committee on Industry, Trade, Research and Energy on security of supply presented to that committee on 9 October; urges therefore the Commission to take both scenarios as a basis for the energy review scheduled for January 2007;

33. Asks the Commission and the Member States, without neglecting short and medium-term costs, to give priority to those forms of energy which reduce import dependency, especially imports of fossil fuels, that support the environment, are sustainable and reduce risks of continuous supply, not least because of the decentralisation of production;

34. Calls on the President of the Commission to carry out the plan to publish monthly figures on European stocks, imports, and exports of oil and petroleum products, broken down by product type (crude, petrol, diesel oil, heating oil, and others); believes that figures of this kind (which would be in the public domain, as they are in the United States) would give a clearer idea of the pressures being brought to bear on the world market and a clear picture of European consumption, as well reducing the obsession which operators have with American stocks and consequently helping to make oil prices less volatile;

35. Calls on the Commission to conduct a transparent and objective debate on the future energy mix, taking into account the advantages and drawbacks of all forms of energy, including economic and environmental costs and consequences;

36. Urges the Commission to finalise by the end of 2008 at the latest a new energy and transport modelling tool for the EU; believes that such a bottom-up model should be developed in close collaboration between the Commission services, the IEA and national governments and aim at streamlining all statistical energy and transport data in Europe, that the model would then replace the multitude of models existing today within the different Commission services and also harmonise energy statistics all over Europe; further believes that the model should be in the public domain and could, as it is the case today in the US, be used on demand by the different stakeholders to develop different scenarios for the EU energy future;

37. Proposes, in order to boost the diversification of energy sources, that the EU set a long-term stable policy framework in order to create the necessary investment climate; believes that such a framework should contain an EU target for energy efficiency improvements of at least 20% by 2020, and asks the Commission to propose a framework for options of harmonised support schemes for renewable energies as part of the renewable energy roadmap and, furthermore, set binding sectoral targets for renewables in order to achieve 25% of renewables in primary energy by 2020 and a road map at Council and Commission level for reaching a target for renewables of 50% by 2040, an EU 30% reduction of the CO₂ target for 2020 and a 60-80% reduction for 2050;

38. Stresses that the need to change the current energy production mix is not a burden but an opportunity; the use of solar, wind, biomass, hydro or geothermal energy and more energy efficiency technologies will help to fulfil the commitments made in Kyoto and under the UN Framework Climate Change Convention and also strengthen innovation, job creation and competitiveness in Europe;

39. Believes that the proposed Strategic Energy Review (SER) should integrate the work of the proposed Energy Supply Observatory (which should not be an independent body) and that it should analyse security of supply on a regular basis; considers that the SER's remit should involve strategic analysis of the problems confronting the EU in the energy sector, including the external aspects; encourages the Commission to use the SER to develop a formula that enables Member States to analyse the trade-offs between different policy options with regard to the environment, security of supply, competitiveness and job creation and that thus helps to minimise risks; welcomes the Commission's effort to undertake a detailed study of the subsidies and costs of all energy sources, including the internalisation of externalities within the SER, applying the life-cycle and well-to-wheel approach; requests the publication of such a study in order to raise public awareness; proposes that a Europe-wide forward study of supply and demand in the medium and long-term be conducted in order to identify investment needs, especially on the production side, and raise the profile of operators; proposes

that a cost-benefit analysis should focus on the contribution of each energy source to the EU's three objectives in the energy field, namely security of supply, competitiveness, and environmental sustainability;

40. Believes that the SER should also cover trade issues, meaning that it should analyse the impact of international cooperation and long-term contracts already signed or to be signed and assess consistency between policies pursued by business and national and EU policies;

41. Recalls that oil is still the most important primary energy source in the EU, for which the EU depends almost completely on imports; regrets the lack of attention paid in the Commission's green paper to the fact; calls upon the Commission and Member States to take into account the need for diminishing the use of oil, decreasing import dependency and contributing to reducing CO₂ emissions;

42. Insists that Member States develop a systematic approach, including economic, ecological and technological aspects of the production, distribution, consumption and market penetration of liquid and gaseous biofuels, in particular those used in transport, in order to improve access to and promote trade in biofuels; insists on the full implementation of existing binding legislation; urges the Commission to remove technical and administrative barriers to blending levels and to ensure consistency between different policy areas, e.g. transport, agriculture, trade, and that recognition is given to both liquid and gaseous biofuels as an option for the transport sector and not just as a fuel for generating electricity; encourages Member States to take into account a mandatory and comprehensive certification scheme to be introduced by the Commission allowing the sustainable production of biofuels at all stages, as well as for the overall life-cycle greenhouse gas balance for biofuels produced within and imported into the EU;

43. Calls on the Commission to present a proposal for a directive on heating and cooling from renewable energy sources as soon as possible and recalls its resolution of 14 February 2006 with recommendations to the Commission and Council on heating and cooling from renewable sources of energy;

44. Calls on the Commission to recognise in the medium term the important role of fossil fuels and the possibility of undertaking further studies to reduce their carbon intensity in line with the 2° C degree target for CO₂ reduction; considers that this should include continuous modernisation and improvement of their efficiency, development of a new generation of installations based on gasification and parallel electricity and chemical production, the further development of an economical method of carbon capture and storage in relation to coal and gas and oil, in accordance with the decisions taken by the European Technology Platform for Zero Emission Fossil Fuel Power Plant, and the removal of barriers posed by EU legislation;

45. Calls on the Commission and the Member States to recognise the socio-economic importance of local and indigenous sources of energy in the EU and to encourage their development as a means of contributing to the security of energy supply in Europe;

46. Calls on the Commission to implement the trans-European energy networks and establish a priority interconnection plan, in view of the recently amended decision laying down the guidelines for trans European energy transmission networks, without neglecting the liquefied natural gas reception regasification infrastructure and storage facilities; in addition, believes that all energy sources including renewables should be given fair and non-discriminatory access to the power grids so as to further the integration of markets and ensure security of supply; considers that offshore wind power installations should be integrated first into a regional grid and ultimately into the trans-European energy network;

47. Asks the Commission to give special consideration to developing marine-based renewable energies (offshore wind, wave power, tidal) in particular in the North Sea, the Baltic Sea, the Irish Sea and the Mediterranean, and solar, in particular in the Mediterranean region, so as to ensure that these resources are included in the 2007 road map on renewable energy sources and are fully and rapidly developed;

48. Calls for a review of existing EU legislation that prevents the development of the energy policy priorities set out in this resolution, including the future development of large scale tidal projects;

49. 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 CO₂ 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, in accordance with the principle of subsidiarity;

50. Urges the Commission to investigate the development of nuclear energy in Member States, taking account of both the benefits of that technology (low volatility of production costs and no CO₂ emissions) and the risks linked to the existence of nuclear power stations (failures and waste disposal);

51. Draws attention to the fact that, in view of the high level of EU dependence on imports, it is particularly important to increase the diversity of countries of origin and transit routes;

52. Recognises that decisions about the make-up of the energy mix must take account of specific national and regional circumstances; considers, therefore, that the promotion of renewables must be geared to relevant geographical, climatic and economic conditions;

Infrastructure and investments for security of supply

53. Calls on the Member States to implement their political commitments regarding the development of the missing energy interconnections, paying special attention to the isolated and border regions of the EU, such as the Baltic States; recalls the necessity of investments to achieve this goal, and requests the Commission to propose measures to establish a favourable investment climate in order to ensure that markets send the right signals to investors; calls on the Member States and the Commission to thoroughly consider the environmental aspects before approving further major infrastructure investments, such as the planned North European Pipe line – North Stream;

54. Takes the view that, in addition to environmental benefits, economic efficiency should also be a determining factor in the promotion of renewables, so that the financial burden on the end user can be minimised;

External aspects

55. Believes that development of a common stance in the EU in the dialogue with third countries will increase the EU's ability to negotiate with energy producing and consuming countries and that the Commissioner responsible for energy should follow a well-defined mandate which sets out a long-term European energy planning vision;

56. Urges Member States, mindful of improving cooperation with EU institutions, to set down a list of priority areas where they have reached agreement in terms of external energy policy, including:

- a) climate change targets, energy efficiency and savings targets, the development of renewable technologies,
- b) human rights and social dialogue, in an endeavour to set standards for Corporate Social Responsibility in the field, both at EU and at UN level,
- c) the inclusion, in all new EU trade and international agreements, of an energy section, in recognition of the principle of reciprocity, transparency and the rule of law,
- d) the establishment at EU level of an exchange of information on substantive gas contracts and the sale of energy infrastructure to third countries,
- e) the diversification of supplies and transit routes for oil and gas, in recognition of the EU's Neighbourhood Policy;

57. Calls on the Commission and the Member States to support investment in the European Union, and the acquisition of market share here, by firms from energy-producing countries only on the condition of reciprocity, i.e. security of investment in those countries, and with a strategy that combines the transfer of best available technologies with the creation of an international ruled-based, stable framework for investment that draws on WTO and bilateral economic agreements;

58. Regards it as vital for the EU to continue to lead the global fight against climate change and to strive for achievement of the Kyoto protocol targets; considers it necessary to integrate the EU's endeavours in the development of renewable and clean energy resources and technologies for energy saving and efficiency into all external relations, in line with the global sustainable development agenda agreed in Johannesburg in 2002;

59. Stresses the need to create a common energy policy with regard to internal market regulations as well as external aspects that takes into account the political and economic interests of all the Member

States;

60. Emphasises the importance of developing of a pan-European Energy Community Treaty;

61. Welcomes, in the context of the green paper, the Commission's recent initiative to undertake a study "addressing the interlinkages between natural resource management and conflict in the Commission's external relations", and stresses in particular the links between energy security and climate security;

62. Asks the Commission to formulate, as the supreme aim of the EU's external energy policy, a reduction in the dependence on fossil fuels from a few big suppliers and to diversify the sources of energy, and, for this purpose, believes that a long-term plan with indicative dates should be presented to Parliament and Council;

63. Stresses the fact that a new form of political dialogue and cooperation among consumer countries has become indispensable, especially with the US, China, India and Japan; notes that a similar dialogue between key consumer and producer countries has also become necessary in order to develop a global approach to energy; believes that these new forms of global energy dialogue should aim at making global energy markets stable, secure and transparent, and at the same time provide a continued boost in favour of clean energy sources and energy efficiency;

64. Calls on the Commission and the Council to develop a strategic energy partnership with countries such as China, India, South Africa, Brazil and Mexico to technically assist them in developing sustainable energy strategies and thereby secure their participation in climate change mitigation efforts;

65. Calls on the Commission, as a matter of urgency, to focus not only on closer cooperation with Russia, but also to step up cooperation with other energy exporters, the CIS and particularly the OPEC countries; welcomes the planned development of an EU-wide energy community;

66. Urges the Commission and the Member States to take very seriously the real danger of a deficit in gas supplies from Russia after 2010 due among other things to a lack of investment, excessive leakage and energy waste in the Russian domestic market; insists that Member States make plain that the kind of investment necessary is more likely to be forthcoming if there is a higher degree of security for investments since these will not be made without long term contracts; insists that the Member States and the Union, in its energy-related discussions with Russia, demand the ratification of the Transit Protocol and the Energy Charter Treaty, something which is instrumental to ensuring future much-needed foreign investment in Russia's energy infrastructure and ensuring an adequate gas supply to the EU in the future;

67. Notes that the informal European Council meeting in Lahti agreed that the principles of the Energy Charter and the G8 conclusions should be incorporated in the forthcoming agreement between the EU and Russia, which should, inter alia, include:

- a) a mechanism, like those in the WTO, to decide disputes concerning the EU and Russia and/or individual investors,
- b) a provision for mutual access to infrastructure,
- c) competition rules limiting the power of quasi-monopolistic companies which have not been unbundled having access to their respective energy markets,
- d) and agreement to address the issue of technical failures in the third countries affecting cross-border supplies to the EU Member State;

68. Stresses that a precarious energy and climate security situation is frequently the trigger for international crises and conflicts, which have consequences for democracy, human rights and poverty;

69. States that last winter's failure in the gas energy market of several Member States has already resulted in the relocation of enterprises in energy intensive industries; considers it necessary in this context to examine opportunities for promoting solidarity between Member States and considering how to deal with this issue as a priority in order to ensure the proper operation of both existing and future interconnectors;

70. Calls on the EU to seek to include provisions governing energy trade in WTO regulations, enabling

that organisation to become an international mediator able to resolve disputes concerning the delivery and distribution of energy;

71. Believes that the EU has a responsibility to develop with the countries concerned decentralised energy solutions adapted to rural areas;

72. Calls upon the Commission to analyse and address the issue of technical failures in third countries that affect cross-border supplies to the Member States, such as the disruption of the oil supply from the Druzhba pipeline;

73. Stresses the need to increase diversity in the EU's gas market by seeking ways of securing greater energy supplies directly from producers in Central Asia, i.e. Kazakhstan, Azerbaijan, Turkmenistan and Uzbekistan;

74. Calls for steps to be taken to ensure that the Pan European Energy Community (PEEC) is developed, extending the Energy Community Treaty to include Turkey, and examining the possibility of the Mashreq and the Maghreb joining the PEEC;

Single market in energy and competitiveness

75. Calls upon the Member States to recognise that the EU energy market is still not fully liberalised and that full implementation is imperative; is of the opinion that a clear and stable political framework and a competitive and fair energy market is needed to establish a high degree of energy independence, long-term stability, efficiency, environmental sensitivity and security of supply; thus calls upon the Commission and the Member States to carefully assess the need for regulatory intervention against this background;

76. Notes that Member States have been encouraging energy market liberalisation policies in different ways and that differences can also be seen in their regulatory frameworks;

77. Calls for the 2007 Spring European Council to provide a broader vision of the common European interest in the energy field, in order to place the completion of the internal market in a clear political framework, something that is currently lacking;

78. Calls on the Commission to use its powers under Article 86(3) of the EC Treaty to increase its efforts to unbundle gas infrastructure in order to promote competition in the gas transit network sector and incentivise operators to open markets to operators other than the traditional gas suppliers;

79. Congratulates the Commission on the energy sector inquiry; calls on the Commission to pursue enforcement action including fines against companies which breach competition rules; encourages the Commission to pursue Member States which unduly protect national energy champions, and attempt to re-regulate end prices at a level below the market price, or attempt to block mergers and acquisitions as such behaviour would impede the development of the internal market; requests the Commission to provide guidance on the appropriate form of long term supply contracts and conditions under which arrangements are acceptable;

80. Considers that Member States and regions should ensure that small and medium-sized energy producers and large producers are treated equally on the market, with a view to protecting energy consumers against the effects of market monopolies;

81. Urges the Commission in its appraisal of National Allocation Plans (NAPs) to reject the market distortions arising from NAPs and insists on the harmonisation of NAPs, many of which currently undermine the "polluter pays" principle;

82. Calls on the Commission to put an end to regulated energy prices because these undermine the very essence of open energy markets; calls on the Commission above all to address regulated energy price systems for energy intensive industries because these undermine not only the EU energy market but also the internal market in other commodities; accepts that special measures might be necessary for EU energy intensive industries which are exposed to global competition, but that these measures must be taken in an coordinated way across the EU; urges therefore DG Competition to propose a clear set of criteria to define what are energy intensive industries exposed to global competition and to use these

criteria to assess the validity of special national energy regimes for energy intensive industries;

83. Urges the Commission to take further steps to address concentrations in the energy market in case of abuse of market dominance;

84. Proposes significant increases in the powers of Member State regulators, who should be fully independent of government and industry, and the harmonisation of their powers which could be achieved via the establishment of common rules on transparency, disclosure and accountability, which should be monitored by the Commission and annually by the European Parliament, and the setting of minimum binding guidelines on the procedure for the appointment of regulators; believes that national energy regulators should be given the role of advising competition authorities in the Member States and of ensuring that energy companies have a statutory obligation to give energy saving advice to customers;

85. Calls on the Commission to prepare a review of the power and independence of national regulators and only afterwards to prepare a recommendation on the harmonised development of regulation in the internal market;

86. Calls on the Member States to grant powers to national regulators, agreed at EU level, to deliver on cross-border electricity and gas transmission, including non-discriminatory grid access, transmission tariffs, capacity allocation, congestion management procurement and network operating, and a clear timetable for bids in the energy market; considers that national regulators should also insist on the need for network operators to act in the interests of European consumers; considers that, before a European regulator is established, the areas of responsibility of Member State regulators should be harmonised in order to ensure greater consistency of action aimed at improving the way the market works;

87. Urges the Commission and Member States to promote improved cooperation by Transmission System Operators (TSOs), especially in areas such as cross-border capacity allocation, transparency, intra-day markets, planning of grids and investments relevant to development of regional markets; asks the Commission to prepare, together with the TSOs, a European grid code;

88. Calls on the Commission to provide a solution to the problems relating to independence/conflicts of interests and transparency with regard to TSOs and to put forward proposals that enable TSOs to acquit themselves of their responsibility as market facilitators and to harmonise the international regulations for TSOs so as to improve cross-border transport;

89. Calls on the Commission to ensure that there is strict compliance by the Member States with the conditions set out in Article 7(6) of Directive 2001/77/EC, namely that the transmission charges applied by operators for the transport of electricity through the grid do not discriminate in one form or another against electricity from renewable energy sources produced in peripheral regions, such as island regions and regions of low population density; urges the Commission to take further steps to end existing discrimination within Member States;

90. Calls upon the Commission and the Member States to carefully assess whether new institutions like a European Centre for Energy Networks are needed to create a level-playing field, given the already significant number of existing institutions which could be built upon;

91. Urges the Commission to provide greater support to interconnectors across the Member States and particularly within the Member States, thereby giving island and remote energy suppliers better access to the mainland grid;

92. Calls on the Commission to analyse precisely the existing problems in granting planning permission at borders and to submit a report to the European Parliament; calls on the Member States to grant planning permission at borders within a period of four years from presentation of an application; adds that one possible way to achieve this might be the introduction of legislation, where necessary;

93. Takes the view that the establishment of regional energy markets should help to speed up the integration of EU energy markets and that, under no circumstances, should further barriers to the integration of all energy markets be raised;

94. Calls on the Commission to ensure that greater use is made of market-based allocation systems

where cross-border transmission capacity is limited;

95. Calls on the Commission to make the establishment of well functioning harmonised regional electricity markets by 2009 a priority, with a view to integrating the markets with the biggest potential for development at European level by 2012 and to advancing the establishment of a single European energy market and grid ;

96. Notes that cross-border interconnections will require special measures, e.g. the preferential treatment of funding or tax exemptions; urges the EU to rapidly advance with its trans-European energy network (TEN) projects; notes that completing the missing links in TEN will improve security of supply as well as contribute to the completion of the internal market;

97. Considers it appropriate that the possible expansion of the regulatory framework must be deferred and that, instead, the implementation of existing EC rules in the Member States must be accelerated; considers that additional regulatory measures such as full ownership unbundling should be considered only if the mechanisms envisaged in the existing legislation relating to the internal market prove ineffective in practice; emphasises the importance of improving the effectiveness of regulation and of ensuring proper, coherent implementation of the provisions relating to the separation of activities laid down in existing directives;

98. Urges the Commission to fully consider the recent reports by UCTE and ERGEG on the November 2006 electricity blackout caused in Germany when establishing its position on the future management and ownership of power grids and the need for new legislative initiatives to better regulate the EU power sector;

99. Believes that transmission systems in the energy sector should undergo full ownership unbundling immediately the Commission analyses that existing legislation is ineffective since this would prevent conflicts of interests from arising between competing energy companies;

100. Believes that the Commission should come forward with a comprehensive gas strategy that examines the need to reduce gas consumption, the assurance of third party access providing for the economical and efficient use of gas, the diversification of supplies and transit routes and improved gas infrastructure (e.g. gas storage, LNG facilities and missing gas hubs) – thus also preparing for the introduction of biogas - and the need in some Member States to reverse the direction of the flow of gas and, furthermore, that deals with the question of storage and stocks after conducting a thorough cost/benefit analysis taking into account the physical and economic constraints of the gas sector;

101. Calls on the Commission to produce proposals for a directive on natural gas directive to balance those for biofuels and hydrogen;

102. Requests the Commission to propose a definition of what constitutes a high energy user; requests the Commission to give special consideration to high energy users in the EU competing in the global economy;

103. Urges the Commission to use its powers in competition matters to address the existence of market splitting clauses in supply contracts between gas producers and national energy providers in the EU, which prohibit national energy providers in the EU from on-selling the spare gas of gas producers into other EU markets and also to investigate the legality of those long term supply contracts which foreclose the market to other suppliers;

Energy Poverty and Consumer Rights

104. Believes that consumers must be placed at the centre of all future energy policies and that energy poverty should feature more clearly in the Commission's proposals; recalls that consumers, particularly public authorities, which must set an example in this area, also have obligations in terms of energy economy; recognises the central role that smart metering and billing can play in increasing consumer awareness of how and why energy is being used and therefore in changing consumer behaviour; calls on the Council and the Commission to propose measures which help low income households to achieve energy savings in their homes, thereby reducing their energy bills and their exposure to future price increases;

105. Insists on the need to campaign for education and behavioural change in favour of the more

sustainable mobility of European citizens;

106. Demands that integrated and continuous support be given to local and regional authorities in relation to energy efficiency and sustainability measures under all European funding schemes, in particular the Structural Funds, FP7, Intelligent Energy Europe, and, in general, all regional policy and financial engineering measures encompassed within cohesion policy for the period from 2007 to 2013, as well as in relation to the activities of the EIB;

107. Calls on the Commission to show interest in both renewable energy sources and energy saving by emphasising these policies in all initiatives financed by the Structural Funds and the Cohesion Fund (mainstreaming) and, in particular, by European Regional Development Fund initiatives for all regions of the Union, over the programming period 2007-2013, and to draw up a proposal on how to remove the limitation of the energy saving progress caused by the 3% limit on energy efficiency spending from these funds and to consider the removal of the threshold after 2013;

108. Reaffirms its view that supplying people with energy to meet basic needs is indispensable and that such supplies must be assured; therefore requests energy regulators in the Member States to ensure that universal service obligations are honoured and that vulnerable and poor consumers are adequately protected;

109. Endorses the inclusion of energy policy aims in the formulation of criteria for awarding public contracts where it is feasible for the awarding authority, reasonable for the respective tender and does not represent unfair intervention in competition;

110. Stresses the importance of consumers having easy access to price and choice information, an easy method of switching energy provider and the right to be heard by the regulators in each Member State;

Development

111. Requests the Commission and Council to recognise that there are 2 billion people in the world without access to basic energy services and that the EU should set out a policy direction alleviating this position and meeting the Millennium Development Goals;

112. Welcomes the Global Energy Efficiency and Renewable Energy Fund initiative as part of a global policy responsibility to promote development;

113. Emphasises that the EU and the Member States must use their diplomatic, aid and trade relations with energy supplying countries to promote fiscal transparency; urges the Commission to formally endorse and promote the Extractive Industry Transparency Initiative (EITI) and develop a strategy to mainstream the principles of the EITI and the Corporate Social Responsibility Scheme into all agreements with third countries; considers that specific provisions in these agreements should support the role of civil society as an independent watchdog of energy revenue management;

114. Considers that the impact of EU measures would be greatly enhanced by a strong foreign policy seeking to persuade all industrialised countries to participate in the struggle to combat climate change and by incorporating in EU development policy a greater number of programmes seeking to promote clean and efficient energy;

115. Furthermore, believes that the EU, together with the most "advanced" developing countries, should explore ways of playing a greater part in the worldwide effort to combat and adapt to global warming, and that the EU should also consider what steps could be taken to strengthen world solidarity in the face of the effects of climate changes, especially on the poorest countries;

116. Stresses that economic development is a right for all developing countries; emphasises, however, that developing countries do not have to repeat the polluting practices of the industrialised countries, and calls therefore for increased attention to be paid to technology cooperation and capacity building in the field of sustainable energy and to global efficiency standards for energy-using products;

117. Calls for greater support to be given, for example through knowledge and technology transfer, to the use of sustainable, locally available forms of energy and decentralised energy networks in particular in developing countries, in order to ensure access to energy, save resources, create jobs, reduce

dependency and assist the development of properly functioning market economies;

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118. Instructs its President to forward this resolution to the Council and Commission.

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- (1) Not yet published in the OJ.
 - (2) OJ C 320 E, 15.12.2005, p. 36.
 - (3) OJ C 272 E, 9.11.2006, p. 404.
 - (4) *Texts Adopted*, **P6_TA(2005)0496**.
 - (5) *Texts Adopted*, **P6_TA(2006)0118**.
 - (6) *Texts Adopted*, **P6_TA(2006)0219**.
 - (7) OJ C 280 E, 18.11.2006, p. 108..
 - (8) OJ C 280 E, 18.11.2006, p.117. .
 - (9) OJ C 280 E, 18.11.2006, p. 120. .
 - (10) OJ C226 E, 15.9.2005, p. 44.
 - (11) OJ C157 E, 6.7.2006, p. 61.
 - (12) *Texts Adopted*, **P6_TA(2006)0300**.
 - (13) *Texts Adopted*, **P6_TA(2006)0058**.
 - (14) OJ C 227 E, 21.9.2006, p. 599..
 - (15) *Texts Adopted*, **P6_TA(2006)0110**.
 - (16) *Texts Adopted*, **P6_TA(2006)0243**.
 - (17) www.iphe.net
 - (18) www.iter.org
 - (19) OJ L 191, 22.7.2005, p. 29.