

EEA Consultative Committee

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RESOLUTION

on

ENERGY AND ENVIRONMENT: TOWARDS AN INTEGRATED APPROACH

Rapporteurs:

Rudolf **STRASSER** (EU-ESC, Austria/Various Interests)

Halvor **WØIEN** (EFTA-CC, Norway/Employees)

1. BACKGROUND

1.1 At its 7th meeting, on 11 March 1999, the Consultative Committee of the European Economic Area (EEA CC) decided to draw a Resolution on "Environment and Energy". The rapporteurs were Mr Rudolf Strasser from the European Economic and Social Committee and Mr Halvor Wøien from the EFTA Consultative Committee.

1.2 In its Resolution "Environment policy: issues and priorities" of 11 March 1999, the EEA Consultative Committee noted that solving environmental problems is closely linked to energy policy decisions and priorities. In its resolution the Committee also recommended that the EU and the EEA EFTA countries try to formulate a joint strategy for developing and promoting new energy resources, or for using available environment-friendly energy. This also applies to the implementation of global decisions on preventing climate change, which can have devastating effects, at least in some parts of the world.

2. ENERGY CONSUMPTION AND ENVIRONMENTAL CHANGE

2.1 Energy supply in the industrialised world has been more or less assured over the last two decades through intensive utilisation of fossil fuels. After increasing steeply around 1980, oil prices dropped again sharply and have fluctuated within a range of \$10-30 per barrel since. The accessibility of fossil fuels is one reason that there have so far been no fundamental changes in energy policy in Europe.

2.2 A global economic growth of 3.1% per annum and an annual increase in energy consumption of 2% is anticipated until the year 2002.¹ It is assumed that although the proportion of oil will decrease slightly, the consumption of fossil fuels will continue to rise. Estimates also show that carbon dioxide (CO₂) emissions are likely to accelerate and that fossil fuels will continue to be the main source of energy. This is due to the halt in atomic energy development, which will result in greater use of fossil fuels.

2.3 Europe's energy market is characterised by a continuing rise in energy consumption. Energy consumption in the European Union is expected to increase by 0.7% per annum over the next 15 years.² A similar rise can be anticipated in the EEA EFTA countries. The EU currently depends on imports for about 50% of its energy needs. Unless adequate measures are taken it can be assumed that this will increase to 70% by the year 2020.³

1 World Energy Outlook, International Energy Agency, Paris, 1998

2 According to European Commission reports

3 EU White Paper "Energy for the future: renewable sources of energy", Brussels, 26 November 1997

2.4 Renewable sources of energy cover only a minor share of Europe's primary energy requirements. Among these, biomass and hydroelectric power are the two most important. It will be possible to double the share of renewable energy in primary energy consumption by the year 2010.⁴

2.5 Extraction, processing and consumption of fossil fuels accounts for three-quarters of the human contribution to CO₂ emissions, which are the main causes of climate change due to the greenhouse effect. CO₂, nitrous oxide (N₂O) and methane (CH₄), emissions make energy consumption the main cause of this phenomenon.

2.6 Improvements can however be seen when it comes to acid precipitation and surface ozone. Sulphur dioxide (SO₂) emissions are falling overall owing to the lower sulphur content of fuels, improved control circuits of industrial plants and replacement of solid fossil fuels by petroleum and natural gas. A slight decrease in nitrogen oxides (NO_x) emissions is also discernible.

2.7 In the EU area, emissions of the six greenhouse gases mentioned in the Kyoto Protocol are likely to increase by 6% between 1990 and 2010 unless new measures are taken. Whereas emissions of nitrogen oxides and volatile organic compounds (apart from methane) are falling, the increase in CO₂ emissions from transport is making it difficult for the EU to meet its Kyoto obligations.⁵

2.8 The anticipated impact of climate change on agriculture, industry, land and buildings represents a serious threat to sustainable economic development. The only way of reversing the current upward trend, especially in CO₂ emissions, is to introduce real economic policy changes affecting energy consumption. It is imperative that energy policy decisions are taken both to reduce the intensity of energy consumption and to lower carbon levels. Rational energy use and above all increased use of renewable energy sources are important principles.

3. IMPLICATIONS FOR A EUROPEAN POLICY

3.1 The energy / environment interface is a complex and thorny issue with a range of conflicting interests. The EEA Consultative Committee believes thorough discussion of fundamental issues relating to environment and energy to be inevitable. Individually and in co-operation, the EEA EFTA and the EU countries should give high priority to issues relating to energy and the environment. We need to increase our understanding of the interplay between these two policy areas. It is important that general environmental concerns be reflected in energy policy.

3.2 Assuming that the appropriate economic policy instruments are used (e.g. internalisation of external costs), prevailing energy needs will encourage the development of environmentally friendly forms of energy production and consumption. Developing new technologies for energy production or energy-saving methods in industrial production will also create jobs in existing industry and produce new economic activities.

⁴ EU White Paper "Energy for the future: renewable sources of energy"

⁵ The 1999 Commission report on the environment situation in the EU

The EEA Consultative Committee:

3.3 sees both energy and the environment as key elements in cultural, social and economic development, thus playing central roles in the wellbeing of individuals and the overall prosperity of the society as a whole;

3.4 recognises the necessity for Europe to develop reliable and long-term energy sources for the benefit of industry and social equity while at the same time safeguarding the environment. Access to energy has a substantial impact on production costs, but also on the environment. The rational use of energy is important for maintaining the competitiveness of European industry, protecting the environment, conserving natural resources and creating jobs;

3.5 notes that energy production and consumption are the main causes of damage to the environment in general and of climate change in particular. These environmental impacts are transboundary, and concerted action through international cooperation is therefore an absolute prerequisite for solving the environmental problems caused by energy production and consumption;

3.6 emphasises the need for a European energy policy that is geared more towards using energy sources that will be available over the longer term and to reducing environmental damage, for the sake of the economy and of the general public;

3.7 notes that there is an important direct link between priorities to be set in energy policy, the actual energy policy decisions and environmental demands. It is important to promote the development of new technologies, increased use of renewable energy sources and rational energy use. Economic, political and institutional obstacles to these requirements must be removed as soon as possible;

3.8 stresses the need to develop strategies that aim to offset the negative effects of production (emission of CO₂ and harmful substances) and energy consumption on the environment, which is also consistent with the principle of sustainability;

3.9 supports initiatives and measures that are designed to reduce energy consumption, in particular in the road transport sector. In-depth analysis should be carried out of initiatives that have been undertaken to optimise energy use. Such analyses would have made it possible to establish priorities and make best use of the various programmes under way;

3.10 thinks that a package of (mandatory and optional) measures could help to reduce the negative impact of energy consumption on the environment. It is aware that in the past few years great efforts have been made in this area both in the EU and in the EEA EFTA countries. Commitments under the Kyoto Protocol indicate that these efforts must be stepped up. This applies both to legislative measures, e.g. on mandatory consumer information and taxation, and to measures that provide economic incentives for the rational use of energy or use of renewable energy sources;

3.11 suggests that as far as possible these different measures in the EU and EEA EFTA countries should be brought into line. Increased co-ordination between the various national and Community programmes is essential, and all those concerned - authorities, energy producers and also consumers - must be made to feel jointly responsible. The EU enlargement process should give priority to the energy – environment issue.

3.12 suggests the initiation of an awareness programme targeted towards citizens. Such a programme should address, in particular, the responsible use of energy.

4. ACTION PROGRAMMES

The EEA CC regards the following programmes as important elements of the strategy to reduce tensions between energy demand and environmental impacts:

4.1 Both EU, EEA EFTA and some applicant countries participate in the European Commission initiated ALTENER II multiannual programme to promote renewable energy sources. It will be difficult to actually achieve the programme's objective of doubling the share of renewable energy sources in primary energy consumption at European level by the year 2010. The level of activity is however promising as 403 proposals have been registered at closing date in November 1999.

4.2 The current SAVE II programme contributes to a more rational use of energy by improvement of energy management at regional and urban level, monitoring of energy efficiency progress, labelling and standardisation for energy-using equipment.