2.12 welcomes the fact that the Commission will seek to ensure that the contribution of cooperatives and other social economy enterprises to agricultural development is exploited through Community initiatives;

2.13 stresses that the Commission and Member State governments should examine the possibility of granting tax concessions to cooperatives on the basis of their usefulness in regional or social terms and of whether they essentially observe the main founding principles of cooperatives: democracy, the solidarity of members, both workers and consumers, and their direct management of entrepreneurial activities;

2.14 draws attention to the opportunities which cooperatives offer in terms of developing the local economy and new innovative forms of employment at local and regional level;

2.15 urges the Commission and Member States to actively promote the establishment of co-ops (particularly marketing co-ops) in the new forms of agriculture and rural activities, such as organic farming, aquaculture, etc. Actions might include training, facilitation, legal advice, identification of participants, etc.;

2.16 urges municipalities and regions to take better account of the cooperative form of enterprise in their industrial policy;

2.17 recalls that cooperatives offer new opportunities for improving employment, service provision and economic regeneration in remote areas which suffer from lack of capital.

Brussels, 16 June 2004.

The President
of the Committee of the Regions
Peter STRAUB

Opinion of the Committee of the Regions on the 'Proposal for a Directive of the European Parliament and of the Council on energy end-use efficiency and energy services'

(2004/C 318/06)

THE COMMITTEE OF THE REGIONS,

Having regard to the Proposal for a Directive of the European Parliament and of the Council on energy end-use efficiency and energy services (COM(2003) 739 final — 2003/0300 (COD));

Having regard to the decision of the Council of 23 January 2004 to consult it on this subject, under Article 175 of the Treaty establishing the European Community;

Having regard to the decision of its president of 4 November 2002 to instruct the Commission for Sustainable Development to draw up an opinion on this subject;

Having regard to the Council Decision of 25 April 2002 concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder (2002/358/EC) ([1]);

Having regard to the Decision of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring the Community greenhouse gas emissions and for implementing the Kyoto Protocol (280/2004/EC) ([2])

Having regard to Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity ([3]);

([1]) OJ L 130, 15.5.2002, p. 1.
([2]) OJ L 49, 19.2.2004, p. 1.
([3]) OJ L 27, 30.1.1997, p. 20.

Having regard to its Opinion of 18 September 1997 on climate change and energy — CdR 104/1997 fin [1] — and its Opinion of 14 March 2002 on the Proposal for a Council Decision concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder — CdR 458/2001 fin [2];

Having regard to its Opinion on the Communication from the Commission on the 6th Environment Action Programme of the European Community 'Environment 2010, Our future, Our choice' — the 6th Environment Action Programme — Proposal for a Decision of the European Parliament and of the Council laying down the Community Environment Action Programme 2001-2010, COM(2001) 31 final — CdR 36/2001 fin [3];

Whereas:

1. increased end-use energy efficiency is essential to protect the environment, to reduce the demand for energy and to fulfil the objectives set out in Kyoto; the development of a market for end-use energy efficiency and energy services will make an important contribution towards achieving this objective;

2. regional and local authorities in Europe have, for years, played a pioneering role in achieving energy savings, e.g. through the use of renewable sources of energy and by testing intelligent energy systems;

3. many regional and local authorities in Europe have committed themselves to meeting the objectives set out in the Kyoto Protocol;

4. there must first be popular awareness of the concept of energy saving; regional and local authorities, as the political bodies which are closest to the people, can play their part in achieving this objective and the European Union must provide the requisite freedom of action in this respect;

Having regard to the draft Opinion (CdR 92/2004 rev.1), adopted by the Commission for Sustainable Development on 3 May 2004 (rapporteur: Mr Sinner, Bavarian Minister for European Affairs and Regional Relations (DE, EPP));

adopted the following opinion at its 55th Plenary Session, held on 16 and 17 June (meeting of 17 June).

1. **Views of the Committee of the Regions**

The Committee of the Regions

1.1 shares the view of the Commission of the European Communities that increased end-use energy efficiency is a key objective. It welcomes the Commission's intention of helping to develop a market for end-use energy efficiency and energy services. The CoR, too, believes that it is essential to bolster this market and thereby reduce emissions and promote sustainable development;

1.2 considers the proposal for a directive as representing, in principle, an appropriate first step towards achieving these objectives;

1.3 unreservedly supports the established goal of protecting the climate and respecting the attendant obligation to reduce energy consumption. In the EU Member States, regions and municipalities a variety of measures have already been introduced with a view to meeting this obligation (cf., *inter alia*, the Energy Saving Law adopted by the German Bunderstag on 1 April 2004). Such measures also include the efforts made to improve energy efficiency in all fields of energy consumption;

1.4 takes the view that implementation of energy efficiency measures, measures to achieve energy savings by end-users and the provision of energy services should be in line with the context of competition-orientated markets; it would at the same time underline the priority to be attached to enhancing the public service so that it can continue to assume its responsibilities in terms of quality, security and accessibility;

1.5 does not dispute the view that appropriate framework conditions are required in order to bring about a substantial increase in end-use energy efficiency. The best way to achieve this objective is to stimulate and increase demand for appropriate technologies and procedures. The proposal that enterprises should, rather, be obliged to provide such services appears problematic. Enterprises would thus have to have procedures and technologies available which no-one would be required to buy resulting in higher prices for end-users;

1.6 considers that the proposal for a directive runs counter to established practice in cases where it disregards fundamental structures of the internal energy market. The proposal for a directive obliges Member States to ensure that energy retailers and suppliers offer their customers, in all end-use sectors, energy services and energy efficiency measures, in some cases free of charge. In the open market it is, however, hardly possible to control supply. Furthermore, the market players concerned, such as unbundled energy distribution companies and energy sales companies new to the market, are too different for them to be subject to the same or comparable regulatory measures;

[1] OJ C 379, 15.12.1997, p. 11.
[2] OJ C 192, 12.8.2002, p. 59.
[3] OJ C 357, 14.12.2001, p. 44.

1.7 regards the obligation placed upon network operators to offer and provide energy services to final customers as an infringement of the internal market directive;

1.8 regards the establishment of new official structures with monitoring and verifying tasks — which are bound to involve considerable costs — as being of limited suitability as a means of increasing end-use energy efficiency and pressing ahead with the development of a market for end-use energy efficiency measures and energy services. Member States should be allowed to use existing bodies for carrying out these tasks. According to the proposal for a directive, the costs of the measures taken to achieve the required level of energy saving 'should' not exceed their benefits. As it is, however, not clear how this cost-benefit analysis is to be carried out, this obligation represents nothing more than a proposal, devoid of all practical meaning, with the result that costs may rise out of all proportion to the benefits. There is therefore a danger that the provision of Article 10b of the proposal for a directive, whereby particular costs may be included in distribution tariffs, will place the burden on final consumers;

1.9 urges that the setting up of a uniform rate for increased efficiency of 1 % for all Member States must not lead to distortions in competition, since Member States which have already attained a high level of efficiency could achieve further efficiency gains only at comparatively high cost. It must be guaranteed that the efforts made by the Member States in the past will be duly taken into account. The taking into account of energy saving measures made by Member States since 1991 foreseen in Annex 1 to the proposal must be made in such a way that distortions in competition are excluded; moreover, the CoR rejects the placing of an disproportionate burden on the public authorities and asks for an equal treatment of the public and the private sector;

1.10 regards the proposed measures, such as the establishment of a uniform energy saving target, the creation of new inspection bureaucracies and the establishment of mandatory markets for energy services, as constituting, by virtue of their scope and intensity, a very far-reaching encroachment upon the energy policies of the Member States.

Brussels, 17 June 2004.

The President
of the Committee of the Regions
Peter STRAUB

2. **Recommendations of the Committee of the Regions**

The Committee of the Regions

2.1 calls on the Commission to revise key points in the proposal for a directive, the objective of which is very welcome. The aim of this revision should be, above all, to further develop and strengthen demand for energy services by providing information, advice and support. It suggests in this respect a European wide information campaign to increase the awareness of environmental benefits of energy savings;

2.2 requests the Commission to respect the subsidiarity principle by continuing, to leave it up to the Member States, regions and municipalities, to authorise, certify and accredit energy service enterprises, monitor energy audit schemes and the market for energy services, draw up energy efficiency programmes and establish publicly overseen financing arrangements;

2.3 proposes that the degree of detail of the provisions be limited to a level compatible with the Commission's commitment to deregulation, less bureaucracy and simplification of procedures;

2.4 calls on the Commission not to place an disproportionate burden on the public sector regarding the energy saving target. The public and the private sector should both be made responsible to the same degree to contribute to the overall goal of enhanced energy-efficiency;

2.5 points out that, in order to comply with the obligations set out in the proposal for a directive, it will be necessary to introduce supervisory measures, collect data and draw up reports for the Commission. This, in turn, will require public administrations and also enterprises to take on new staff — who were not hitherto needed — e.g. for the purposes of (a) collecting and passing on information concerning final consumers which was previously not relevant (e.g. with regard to heating oil) and (b) for the marketing of energy services. This should be taken into account and incorporated into the proposal;

2.6 reminds the Commission of the need to bring the new proposal for a directive fully into line with the objectives of all legal provisions in the energy field and, in particular, with the objectives of the Directive on the internal energy market.