Opinion on the proposal for a Council Directive to Limit Carbon Dioxide Emissions by Improving Energy Efficiency (proposal presented under the SAVE programme) [1]

(93/C 19/33)

On 16 July 1992 the Council decided to consult the Economic and Social Committee, under Article 130s of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Energy, Nuclear Questions and Research, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 30 October 1992. The Rapporteur was Mr Flum.

At its 301st Plenary Session (meeting of 25 November 1992) the Economic and Social Committee adopted the following Opinion unanimously.

1. Preliminary remark

1.1. On 26 June 1992 the Commission submitted a Proposal for a Council Directive to limit carbon dioxide emissions by improving energy efficiency (presented under the SAVE programme) [1]. A programme to improve energy efficiency is needed to counter the wasteful use of natural energy resources, particularly in the industrialized countries (input side of the economy), and to mitigate the direct and indirect damage to the environment which flows therefrom (output side of the economy). The Commission's Draft Directive is therefore in principle most welcome and is a step in the right direction.

2. Remarks on the content of the Directive

2.1. Since prices on world energy markets are influenced by a large number of factors and so do not reflect any potential scarcity of energy resources, the market mechanism fails to perform its function since it is unable, via the price regulator, to provide short or medium-term incentives to use energy in a less profligate manner. Hence the need for a package of measures to improve energy efficiency and reduce CO_2 emissions and thereby make a substantial contribution to easing the pressure on the environment.

2.2. This is where the present Commission proposal comes into play as part of the SAVE programme. Launched in 1991, this programme is intended to run for 5 years and to assist Member States in further developing and coordinating their national programmes to promote the more efficient use of energy. The SAVE programme [2] itself is an integral part of other Community energy-saving measures.

3. Essential measures to be taken under the Directive

3.1. To achieve the Community's CO_2 stabilization target, a package of seven measures has been proposed, in keeping with Article 130r of the EEC Treaty, as part of the policy to improve energy efficiency:

— the energy certification of buildings;

— the billing of heating, air-conditioning and hot water costs on the basis of actual consumption;

— the promotion of third-party financing of energy-efficiency investment in the public sector;

— the thermal insulation of new buildings;

— the regular inspection of boilers;

— the regular inspection of cars;

— energy audits of businesses.

3.2. The programme excludes power stations which are covered under separate EC research and demonstration projects.

4. Comments on the Explanatory Memorandum of the draft Directive

4.1. In connection with the Introduction to the Explanatory Memorandum, we would add that between 1987 (the reference year for national energy-policy thinking) and 1991 energy-related CO_2 emissions in Germany fell by about 9 % even though CO_2 emissions stemming from the use of oil and gas rose slightly during the same period. The Draft Directive raises the question of switching from one fossil fuel to another but fails to address the problems of security of supply, the expected lifespan of the various fossil fuels and the

[1] OJ No C 179, 16. 7. 1992, p. 8.
[2] OJ No L 307, 8. 11. 1992.

possibility of the CO_2 problem being replaced by a methane problem. It should also be pointed out that over the next few years at least, rationalization measures will result in a significant reduction in CO_2 emissions from coal-burning. (First report of the Committee of Enquiry on Protection of the Earth's Atmosphere, Bundestag, Doc. 12-2400 of 31 March 1992)

4.2. The Commission's statement that, according to estimates, the full implementation of the SAVE programme within the deadlines set might well reduce the growth in CO_2 emissions by about 3 percentage points, i.e. from 12 % to 9 %, requires some clarification.

4.3. It is also interesting to pinpoint what Community savings of 3 % represent on a world scale. According to the figures given in the final report of the Committee of Enquiry on Precautionary Measures to Protect the Earth's Atmosphere, CO_2 emissions in the Community, including the former GDR, totalled 3,187 million tonnes in 1986. This figure represents 15.9 % of the world's energy-related CO_2 emissions of 20,055 million tonnes. EC savings of 3 % thus amount to 95.61 million tonnes which seems substantial but is in fact equivalent to no more than 0.48 % of worldwide emissions.

4.4. The Intergovernmental Panel on Climate Change (IPCC) has reached the conclusion that a stabilization of 'Greenhouse' gas concentrations at 1990 levels requires worldwide reductions of at least 60 % in the case of carbon dioxide, 75-100 % in the case of fully halogenated CFCs, 15-20 % in the case of methane and 70-80 % in the case of dinitrogen monoxide. Against this background, 0.48 % is insignificant. The figure would therefore seem to be grossly out of proportion to the associated macro-economic and employment policy costs which are completely ignored in the draft Directive. The draft Directive is however part and parcel of an overall plan to reduce CO_2 emissions so individual figures should also be seen against this general background.

4.5. In the context of implementation of the measures it is quite right to mention the principle of subsidiarity which governs relations between the EC and the Member States. Care must therefore be taken to ensure that this principle is enforced to the letter when a Community initiative is launched.

5. General comments

5.1. The proposal to limit carbon dioxide emissions by improving energy efficiency is by and large welcome and deserves to be approved. It is very useful in terms of its specific contribution to energy and environmental policies. First and foremost, however, it constitutes a further plank of the Community's energy-saving strategy. It falls within a comprehensive range of EC energy measures designed to bring about energy savings, protect the environment and safeguard the natural world.

5.2. The presentation of problems and of some aspects of the Directive is still incomplete and requires some fleshing out. In the various proposals and suggestions which it makes in this Opinion the Committee will be endeavouring to ensure that the Directive is transposed more effectively into national law.

5.3. The Draft Directive is based on a package of seven key measures which Member States will be expected to accommodate in their energy-saving policies and implement at national level. A welcome feature of the Draft Directive is that whilst the content of the measures has been fixed in advance, Member States are at liberty to decide how the measures will be implemented.

5.4. Much important action has already been taken at both EC-level and by the individual Member States in respect of the measures proposed in the Draft Directive. A number of Member States have already introduced strict legislation on thermal insulation, the inspection of boilers and the regular inspection of motor vehicles in the interests of achieving optimum energy consumption and the reduction of pollutant emissions.

5.5. State-of-the-art technology is an important factor when it comes to implementing the proposed measures. There is a need to ensure ongoing technological progress. It is also essential that the inspection equipment and testing methods used in the Member States be comparable.

5.6. The Committee would have been pleased if the experiences of, and conclusions drawn from, the research and demonstration projects for power stations had been reported in the Directive, together with any beneficial effects on the environment.

5.7. In the interests of efficiency, the exchange of information between Member States is very important; such an exchange is already provided for in the SAVE programme.

5.8. Internal resources are an essential part of the energy-supply market. The fact that the EC is working to establish an internal energy market will not lessen its dependence on imports from third countries. The introduction of new technology makes it possible, for example, to use fuels such as coal without damaging the environment. For example, 90 % of the lignite and coal-fired power stations in the Federal Republic of Germany use approved technology. The remaining 10 % are to be decommissioned by the end of 1993.

5.9. Efforts must be made to ensure that the proposed package of measures does not have an adverse

effect on the competitiveness of enterprises, which means that the different sections of the proposed programme have to be implemented at the same level in all Member States.

5.10. Member States have to provide the Commission with two types of information:

— they are required to send the Commission the verbatim version of national legislation adopted in furtherance of the Directive;

— they are required to send the Commission a two-yearly progress report on the measures taken to implement this particular Directive.

6. Specific comments on individual Articles

6.1. *Article 2 (Energy certification of buildings)*

6.1.1. The Commission's energy certification proposal is by and large welcomed.

6.1.2. The proposed derogations (rendered as 'amendments' in the first indent of Article 2 of the English version) must be defined in detail to obviate deliberate misinterpretation.

6.1.3. The gradual introduction of energy certification for buildings owned by the public authorities (at a rate of at least 5 % of the existing stock per year) is unacceptable. The public authorities should be the first to show a good example. The proposed special treatment for public-sector buildings (as opposed to private dwellings and business premises) is also unwarranted.

6.2. *Article 3*

6.2.1. Owners and tenants will have a different approach to energy-saving investment. This will generally cause problems.

6.2.2. A framework for removing such obstacles must therefore be created. This would include favourable loan repayment conditions for owners as well as hardship allowances for socially underprivileged tenants unable to shoulder the burden of investment costs being incorporated into their rent.

6.2.3. In determining energy costs, account should also be taken of the condition of each particular dwelling.

6.2.4. The Committee presumes that the Member States make allowances for the specific circumstances obtaining in individual buildings, as well as possible exceptions.

6.3. *Article 4*

6.3.1. The proposed 'third-party financing' is an important step in the implementation of this Directive. Proper proof must be provided that third-party financing has actually taken place. Care must also be taken to ensure that contracts are only awarded to general contractors (a standard practice in the case of third-party financing) if the costs are lower than they would otherwise have been had the contract been split into separate lots, and if small and medium-sized companies are not put at a disadvantage. In this connection the Committee would also draw attention to the Directive on the award of public contracts. [1]

6.4. *Article 5*

6.4.1. Exchanging information on experiences is essential if Member State measures to thermally insulate new buildings are to be as effective as possible. Consideration should be given to how the Commission can assist the Member States with technical data and relevant research. Experiences already available in the Member States should also be taken into account.

6.4.2. The results should also be harnessed to achieve greater heat savings for the entire building stock. In the Committee's view, steps should be taken to ensure that only materials free of health risks are used for heat insulation purposes.

6.5. *Articles 6 and 7*

6.5.1. Member States are to ensure that regular inspections of heating installations and motor vehicles are carried out in order to optimize conditions of energy consumption and ensure minimum emissions of pollutants. A high standard of inspection is to be achieved in line with that already prevailing in a number of Member States, be it as a result of specific legislation or EC standards.

6.5.2. A high level of technology must be deployed in such inspections; inspection equipment and testing methods must be comparable and the relevant provisions on the limitation of emissions must be observed.

6.5.3. The Commission should look at what steps can be taken if Member States fail to implement these guidelines properly. This also applies generally to all the provisions of the Directive.

6.6. *Article 8*

6.6.1. The Committee warmly applauds and endorses the Commission's efforts to ensure, through energy audits, that energy-saving schemes are also introduced into industrial undertakings. If such audits are to be comparable and standardized, a single audit framework should be used by all the Member States. Energy audits are also provided for under the terms of the draft Regulation on the Community's eco-audit scheme. [2]

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[1] OJ No L 297, 29. 10. 1992.
[2] OJ No C 76, 27. 3. 1992.

6.7. *Articles 9 and 10*

6.7.1. We welcome the statement that conclusions from the two-yearly progress reports will only be drawn after consulting the European Parliament and the Economic and Social Committee.

6.7.2. Such a procedure will ensure that any adjustments to the Directive dictated by environmental requirements can be taken in good time.

6.7.3. The Committee warmly welcomes the Commission's proposal that the qualified majority voting system be used when amending the Directive.

6.8. *Articles 11 and 12*

6.8.1. The Directive should be adopted as soon as possible as a further major step towards improving the environment.

Done at Brussels, 25 November 1992.

The Chairman

of the Economic and Social Committee

Susanne TIEMANN