

## **INFORSE-Europe Comments to the Green Paper on Security of Energy Supply**

May, 2001

In INFORSE-Europe we are happy to have the opportunity to comment on the Green Paper COM2000/769. The issue of security of supply is together with the environmental issues related to energy supply the most important drivers for energy policies in the EU countries. We welcome the EU-wide discussion on the issue based on the green paper, and we certainly support the emphasis on renewable energy and energy conservation that is expressed in the paper.

**Regarding the analysis of future energy consumption**, we find that it should include EU's own target for renewable energy and energy efficiency in the analysis of the baseline, maybe with two baselines respectively with and without these two targets. In addition it seems that the current baseline does not capture the multitude of national measures currently under implementation to fulfil these EU-targets. Compared with the baseline presented in the paper, fulfilment of these two targets would reduce the future security of supply problems in EU.

**Regarding the proposal for energy taxes**, we lack an analysis of the potential for co-ordinated energy taxes for a group of EU countries. Given that fact that the EU-15 have not been able to agree to even modest increases in the minimum taxes in mineral oil, it does not seem likely that energy taxes with more than marginal effects on demand will be agreed among all EU countries. On the other hand an increasing number of EU countries have already introduced comprehensive energy/CO<sub>2</sub> tax schemes. Harmonisation, fully or partly, among those countries could improve the efficiency of these national tax schemes.

**Regarding the proposals for renewable energy**, we disagree with the Green Paper text "*Only financial measures (aids, tax deductions and financial support) would to buttress such an ambitious aim*". For a successful development of renewables, financial measures must be supplemented with a number of other measures, e.g. :

- Priority access to the grid for renewables
- Mandatory targets for increase of electricity from renewables
- Blocking of imports of dirty and cheap electricity from third countries.

**Regarding the proposal for completion of the internal market**, the paper completely lacks an analysis of the effect of the internal markets on energy consumption and on security of supply. While a completion of the markets is proposed, no analysis is given to indicate that this would increase security of supply. Experience from Norway and UK indicate that liberalised energy markets can decrease investments in energy efficiency, leading to increased demand.

**Regarding nuclear power**, we support the idea of making an analysis of the effect of nuclear power on security of supply and on climate change. It is important that the analysis includes all aspects of nuclear power, including the inherent security of supply problems with this technology, e.g.:

- a whole series of reactors might have to be stopped at once, after an accident in one reactor, or if a flaw is found in the reactor design.
- life-extension of nuclear reactors will require increased precaution in the operation to maintain the safety level. This will probably lead to more stops for safety reasons that will decrease the reactors contribution security of electricity supply.

We cannot agree with the conclusion that there is a need for research and development in new reactor types. Nuclear R&D should focus on a safe decommissioning of reactors and the safest possible disposal of nuclear waste.

We find that the proposed continuation of R&D in nuclear fusion cannot in any way be justified because of security of supply. A technology that cannot supply energy within the coming 50 years, if ever, will not contribute anything to the problems of security of supply discussed in the Green Paper.

**Regarding the coal production in EU**, we cannot see the need to maintain a minimal internal coal production, as we are of the opinion that coal use should be phased out for environmental reasons. In addition, there does not seem to be any supply problems for imported coal. The subsidies presently given to coal production in EU should be used to mitigate the social problems associated with closing coal mines, and for energy efficiency and renewable energy.

**Regarding co-operation with Russia and other Central and Eastern (CEE) countries**, we welcome the dialogue, but we find that EU's energy-related technical assistance to these countries should not be given to production or transport of fossil fuel, including natural gas. These technologies have already received enough public subsidies and now such investments must be done entirely within the private sector. In addition care must be taken that new investments in CEE does not have serious adverse effects. We already see environmental problems from oil and gas investments in the very vulnerable Caspian Sea.

**Regarding the proposed electricity import from CEE countries** will find that it will not contribute to security of supply, or to a better environment. The eventual import will have the effect that an increasing fraction of EU's electricity supply will come from unsafe nuclear power plants and from fossil fuel power plants with low efficiencies and low environmental standards. The long transmission of this import can also contribute to decrease the security of electricity supply that is based on this import. Because of this, we find that EU funds, loans or guarantees should be used for transmission infrastructure to facilitate an increase of electricity import. To address the problem of electricity produced at sub-standard power plants, imported electricity should come from power plants that fulfil the same environmental and safety standards as power plants within the EU.

**Regarding the proposal to change support from fossil and nuclear energy to energy efficiency and renewable energy**, we fully support this proposal. As a simple way to start this, we propose that EU's 6. Framework Program for Research and Technical Development should not support development of fossil fuel or nuclear energy technologies. The funds should be used for development of renewable energy and energy efficiency technologies instead.

As a final remark, we would like to point at the role of the EU countries as world leaders in the technological development for renewable energy and energy efficiency technologies, a role they already have today. In the future the EU-15 will consume an decreasing share of the worlds energy supply. The role of EU countries as suppliers of better energy efficiency and renewable energy technologies will be of increasing importance to reduce worldwide consumption of finite energy resources, and thus give an invaluable contribution to security of supply.