

Contribution to the debate on the Green Paper
Towards a European strategy for the security of energy supply

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| What are you areas of interest? | Transportation, energy, alternative fuels, (natural gas & hydrogen), biogas |
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Please add your answers after the question(s) which deal most closely with the subject(s) on which you wish to comment so that the Commission can deal with the remarks efficiently and swiftly.

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| 1. | <p>Can the European Union accept an increase in its dependence on external energy sources without compromising its security of supply and European competitiveness? For which sources of energy would it be appropriate, if this were the case, to foresee a framework policy for imports? In this context, is it appropriate to favour an economic approach: energy cost; or geopolitical approach: risk of disruption?</p> <p>Answer: The European Union cannot accept an increase of dependence on external energy sources without compromising its security of supply <i>or</i> its competitiveness (either internally or externally). Framework policy on imports should strive to provide a balance, based upon energy demand, that will not lead to economic dislocation. As such, a two-tiered approach that is both economical and geopolitical in nature needs to be developed. Expansion of basic aid to energy supplying nations (especially the Commonwealth of Independent States) would help provide the buffer against more politically 'aggressive' nations, and particularly those members of energy cartels, who can wield immense power through their energy supply and demand decisions.</p> |
| 2. | Does not Europe's increasingly integrated internal market, where decisions taken in one country have on an impact on the others, call for a consistent and co-ordinated policy at |

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| | <p>Community level?</p> <p>Answer: The European Union MUST attempt, at least, to develop a consistent and coordinated policy for its entire system. The policy must, however, be flexible enough to allow individual countries latitude in their internal decisions <i>within a relative band of acceptability</i>. The European policy, therefore, must apply to both energy supply and energy demand, with goals for conservation and energy efficiency while still considering environmental impacts.</p> |
| 3. | <p>Are tax and state aid policies in the energy sector an obstacle to competitiveness in the European Union or not? Given the failure of attempts to harmonise indirect taxation, should not the whole issue of energy taxation be re-examined taking account of energy and environmental objectives?</p> <p>Answer: Tax policies are an essential aspect of improving competitiveness, whether or not past efforts to harmonise indirect taxation has been successful. Though this sensitive <i>state's rights</i> issue is at the heart of EU member national legitimacy, the EU still must establish guidelines (again, within a range of acceptability) that provides a broad sense of harmonisation. Relative to energy and technology specifically, the EU should move to develop energy taxation guidelines based upon the environmental quality of technology AND fuels. Thus, tax incentives or penalties can be created for using less environmentally efficient fuels (i.e. diesel versus natural gas) or improved (energy efficient and/or environmentally enhanced) technologies, such as with cars, trucks, and other vehicles across the entire transport sector. (The same can be applied for the use of building materials, solar design concepts, etc. etc.)</p> <p>It is absolutely critical that the fundamental <i>revenue raising</i> aspect of taxation be re-examined to take into consideration the opportunity to change (manipulate) behaviours, either on the part of individuals, states, or commercial entities. As difficult as it is, this may be the only long lasting and effective method of behaviour modification that allows flexibility and independence. This simply is what is known as "The Polluter Pays" principle.</p> |
| 4. | <p>In the framework of an ongoing dialogue with producer countries, what should supply and investment promotion agreements contain? Given the importance of a partnership with Russia in particular, how can stable quantities, prices and investments be guaranteed?</p> <p>Answer: There are no guarantees in life except for death and taxes. In a fully integrated network of European nations, however, financial incentives and disincentives can be created that balance energy supplies with price, and with financial benefits accrued in other areas, such as commercial interaction (trade, tourism, etc.) foreign aid, or expert assistance aid (i.e. not direct financial, but in terms of providing technical assistance in building/rebuilding infrastructures). The more likely that the Russian economy is tied to the European economy, the less likely they (or anyone else) will be to abrogate contracts if, by doing so, they threaten economic, financial or social retribution in other areas of their relationship with either the entire Union or individual countries.</p> |

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| 5. | <p>Should more reserves be stockpiled - as already done for oil - and should other energy sources be included, such as gas or coal? Should the Community take on a greater role in stock management and, if so, what should the objectives and modalities be? Does the risk of physical disruption to energy supplies justify more onerous measures for access to resources?</p> <p>Answer:</p> |
| 6. | <p>How can we develop and ensure better operation of energy transport networks in the European Union and neighbouring countries so as to enable the internal market to function properly and guarantee security of supply?</p> <p>Answer: The key stakeholders in each urban area must be organised to create a workable strategy that maintains individual mobility, economic viability, and environmental sensitivity. The stakeholders are: the government (local, national and with help/guidance from European level); the equipment manufacturers (vehicles and equipment suppliers); the energy companies (i.e especially those promoting alternative fuels, but also hydrogen etc.); the customers (including private sector and public sector); and environmental organisations. These groups must develop specific strategies that can be implemented in a consensus-based manner, and then they must have a system to obtain feedback from the public (and other affected by their actions) to refine and retool the policies so that they achieve the basic goals, which must be agreed upon at the beginning of the process. It's not easy but it is possible (see the U.S. Clean Cities Programme. It is one of the best examples of this process.)</p> |
| 7. | <p>The development of some renewable energy sources calls for major efforts in terms of research and technological development, investment aid and operational aid. Should co-financing of this aid include a contribution from sectors which received substantial initial development aid and which are now highly profitable (gas, oil, nuclear)?</p> <p>Answer: It is important for government to spread the costs of developing renewable (and clean) energy across as many sectors (including individual people) as possible so as to diminish the costs for everyone, even though everyone pays. If an energy industry is going to create a new natural gas vehicle network, or a network for hydrogen, no one commercial entity can be responsible for paying the price of such development. Financial intervention in one form or another is essential. (See above regarding financial incentives based upon environmental quality.)</p> |
| 8. | <p>Seeing that nuclear energy is one of the elements in the debate on tackling climate change and energy autonomy, how can the Community find a solution to the problem of nuclear waste, reinforcing nuclear safety and developing research into reactors of the future, in particular fusion technology ?</p> <p>Answer:</p> |
| 9 | <p>Which policies should permit the European Union to fulfil its obligations under the Kyoto Protocol? What measures could be taken in order to exploit fully potential energy savings which would help to reduce both our external dependence and CO2 emissions?</p> |

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| | <p>Answer: Emissions trading would be one option to consider. Enacting a “Polluter Pays” principal is another measure. Development of energy conservation, energy efficiency and demand side planning, with appropriate incentives is another way. In the transport sector, greater focus on intermodality, cleaner fuels, public transport, car and van pooling, development of special driving lanes and techniques to encourage clean fuels (i.e. free downtown parking; special access lanes for clean fuel taxis at airports and train stations) all are measures and techniques to help meet the Kyoto targets without suffering economic dislocation or a decrease of independent mobility.</p> |
| 10. | <p>Can an ambitious programme to promote biofuels and other substitute fuels, including hydrogen, geared to 20% of total fuel consumption by 2020, continue to be implemented via national initiatives, or are co-ordinated decisions required on taxation, distribution and prospects for agricultural production ?</p> <p>Answer: It is a mistake to focus on agricultural production to supply biofuels for all of Europe. It’s not a physical possibility so take care to put too much stock (resources) in such an endeavour that will lead to very long term financial exposure for the European Community government(s). Look at integrated solutions for creating natural gas from human waste, agricultural waste and urban waste to turn into energy (or building materials, for example) and run vehicles on the ‘fuels’ used to create biogas. Ethanol and other biofuels have a role, but very limited.</p> <p>Substitution of fuels will take a long time and the transition from today to tomorrow is critical. It is expensive, difficult to change behaviour, etc. but the key stakeholders (see above) must all see a profit (or economical) motivation and then the long term transition to cleaner, more self-reliant sources of energy and technologies can be assured.</p> |
| 11. | <p>Should energy saving in buildings (40% of energy consumption), whether public or private, new or under renovation, be promoted through incentives such as tax breaks, or are regulatory measures required along the lines of those adopted for major industrial installations?</p> <p>Answer: Absolutely. Reward excellence; dissuade mediocrity.</p> |
| 12. | <p>Energy saving in the transport sector (32% of energy consumption) depends on redressing the growing imbalance between road and rail. Is this imbalance inevitable, or could corrective action be taken, however unpopular, notably to encourage lower use of cars in urban areas? How can the aims of opening up the sector to competition, investment in infrastructure to remove bottlenecks and intermodality be reconciled?</p> <p>Answer: If rail transport was more efficient, comfortable and cheaper there would be certainly be a shift away from the personal auto, especially one where there is only a single driver. Public transport can continue to be subsidised for price to ‘lock in’ the riders, and then when the necessity is created the costs can rise commensurately. These issues are being dealt with within some of the European Commission sponsored programmes such as Cleaner Drive and other related networks. The Commission should continue to gather intellectual leaders to help develop ideas and ultimately a consensus on the various measures and ways to achieve the long term energy and environmental</p> |

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| | balance we all want. |
| 13. | <p>How can we develop more collaborative visions and integrate the long-term dimension into deliberations and actions undertaken by public authorities and other involved parties in order to evolve a sustainable system of energy supply. How are we to prepare the energy options for the future?</p> <p>Answer: The concepts such as Clean Cities programme is one way. The Commission is doing a decent job in many ways to foster such group thinking among specialists. This Green Paper and this response process also must foster interesting results. Stick with your intellectual leaders – elected, non-elected, etc. among the stakeholders – and people themselves will appear with appropriate answers. It's time consuming, difficult, expensive but provides the pathway to the future that may not be dictated by 'disjointed incrementalism' among policies, so that they are long term and consistent (but flexible) over time.</p> |
| 14 | Any other questions or proposals: |

Thank you for replying to this questionnaire.