

## COUNCIL DECISION

of 16 December 1996

## concerning a multiannual programme for the promotion of energy efficiency in the Community — SAVE II

(96/737/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130s (1) thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,Having regard to the opinion of the Economic and Social Committee <sup>(2)</sup>,Having regard to the opinion of the Committee of the Regions <sup>(3)</sup>,Acting in accordance with the procedure laid down in Article 189 (c) of the Treaty <sup>(4)</sup>,

- (1) Whereas Article 130r of the Treaty states that one objective of the Community policy on the environment shall be to ensure a prudent and rational utilization of natural resources;
- (2) Whereas at its meeting on 29 October 1990 the Council set an objective of stabilizing total CO<sub>2</sub> emissions by the year 2000 at the 1990 level in the Community as a whole;
- (3) Whereas Decision 93/389/EEC <sup>(5)</sup> established a monitoring mechanism of Community CO<sub>2</sub> and other greenhouse gas emissions;
- (4) Whereas nonetheless, despite efforts made, CO<sub>2</sub> emissions in the Community generated by energy consumption are expected to increase by 5 to 8 % between 1995 and 2000, assuming normal economic growth; whereas, therefore, additional measures are indispensable;
- (5) Whereas the Commission, in its communication of 8 February 1990 on energy and the environment, highlighted energy efficiency as the cornerstone of future efforts to reduce the negative impact of energy on the environment;
- (6) Whereas improvement in the management of energy is urgently needed in order to contribute to the

protection of the environment, to a better security of energy supply and to sustainable development;

- (7) Whereas the Commission has communicated to the Council and the European Parliament, by means of the Green paper of 11 January 1995 and the White Paper of 13 December 1995, its views on the future of energy policy in the Community, and the role of energy-saving and energy efficiency measures;
- (8) Whereas Article 130a of the Treaty provides that the Community should develop and pursue its actions leading to the strengthening of its economic and social cohesion, and that it should, in particular, reduce disparities between the levels of development of the various regions and the backwardness of the least-favoured regions; whereas energy should be integrated into that effort;
- (9) Whereas, by Decision 91/565/EEC <sup>(6)</sup>, a Community energy efficiency programme (SAVE), aimed at strengthening energy efficiency infrastructures within the Community, was adopted; whereas that programme expired on 31 December 1995;
- (10) Whereas the Community recognized the SAVE programme as an important element of the Community's CO<sub>2</sub> reduction strategy; whereas the communication of the Commission of 8 May 1991 on the European Community's energy programming activities at regional level, the conclusion of the Council on this communication, and the Resolution of the European Parliament of 16 July 1993 <sup>(7)</sup> stated that those activities should be pursued, amplified and utilized as a support for the energy strategy of the Community; whereas this initiative for regional actions should now be totally incorporated into a new SAVE II programme;
- (11) Whereas by Decision No 1110/94/EC on the European Parliament and of the Council <sup>(8)</sup>, a fourth framework programme for actions in technological research, development and demonstration was established; whereas energy efficiency policy constitutes an important instrument for the use and promotion of the new energy technologies that the framework programme will establish; whereas the SAVE II programme represents a policy instrument which complements this programme;

<sup>(1)</sup> OJ No C 346, 23. 12. 1995, p. 14.

<sup>(2)</sup> OJ No C 82, 19. 3. 1996, p. 13.

<sup>(3)</sup> OJ No C 129, 2. 5. 1996, p. 36.

<sup>(4)</sup> Opinion of the European Parliament of 16 April 1996 (OJ No C 141, 13. 5. 1996, p. 35), Common Position of the Council of 8 July 1996 (OJ No C 264, 11. 9. 1996, p. 46) and Decision of the European Parliament of 12 November 1996 (OJ No C 323, 4. 12. 1996).

<sup>(5)</sup> OJ No L 167, 9. 7. 1993, p. 31.

<sup>(6)</sup> OJ No L 307, 8. 11. 1991, p. 34.

<sup>(7)</sup> OJ No C 255, 20. 9. 1993, p. 252.

<sup>(8)</sup> OJ No L 126, 18. 5. 1994, p. 1.

- (12) Whereas the SAVE II programme aims at improving energy intensity of final consumption by a further one percentage point per annum over that which would have been otherwise attained;
- (13) Whereas at its meeting on 15 on 16 December 1994 the Council stated that the target of stabilizing CO<sub>2</sub> emissions can only be achieved by a coordinated package of measures to import energy efficiency and the rational use of energy which are based on supply and demand at all levels of energy production, conversion, transport and consumption and to exploit renewable energies, and that local energy management programmes are amongst these measures;
- (14) Whereas in its opinion on the Commission's Green Paper on energy policy<sup>(1)</sup>, the European Parliament called for the formulation of objectives and a common programme for energy efficiency and savings compatible with the objectives concerning the emissions of greenhouse gases as agreed in Rio de Janeiro (1992) and Berlin (1995), called for a SAVE II programme and requested that the Commission clarify the role which it intends to play in energy savings and efficiency by creating practical projects;
- (15) Whereas improved energy efficiency will have a positive impact on both the environment and the security of energy supplies which are global in nature; whereas a high level of international cooperation is needed to produce the most positive results;
- (16) Whereas all the elements of the Community action programme for improving the efficiency of electricity use set out in Council Decision 89/364/EEC<sup>(2)</sup> should be incorporated into the SAVE II programme; whereas therefore that Decision should be repealed;
- (17) Whereas between 180 and 200 million tonnes of CO<sub>2</sub> emissions could be avoided by the year 2000 by an improvement of 5 % in the energy intensity of final demand additional to the conventional expectations;
- (18) Whereas the SAVE II programme is an important and necessary instrument for promoting increased energy efficiency;
- (19) Whereas in order to prevent duplication and to achieve synergy, care should be taken in implementing the programme to ensure close cooperation with other Community programmes linked directly with energy efficiency promotion;
- (20) Whereas it is politically and economically desirable to open the SAVE II programme to the associated

Central and Eastern European Countries in accordance with the conclusions of the European Council meeting in Copenhagen in June 1994 and as outlined in the Commission communication to the Council on the subject in May 1994, and to the associated Mediterranean Countries Cyprus and Malta;

- (21) Whereas, in order to ensure that Community aid is used efficiently, the Commission shall ensure that projects are subject to thorough prior appraisal and shall systemically monitor and evaluate the progress and results of supported projects;
- (22) Whereas a financial reference amount within the meaning of point 2 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995<sup>(3)</sup>, is included in this decision for the entire duration of the programme, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty;
- (23) Whereas, before the end of 1997, the financial reference amount for the remaining period of the programme should be reviewed, on the basis of a study carried out by the Commission on the co-ordination of all the relevant programmes in the energy sector,

HAS ADOPTED THIS DECISION:

#### *Article 1*

1. The Community shall support a five-year programme for the preparation and implementation of measures and actions in a cost-effective manner in order to promote energy efficiency within the Community. The general overall objectives of this programme are:

- (a) to stimulate energy efficiency measures in all sectors;
- (b) to encourage investments in energy conservation by private and public consumers and by industry;
- (c) to create the conditions for improving the energy intensity of final consumption.

2. Community financing will be given under the 'SAVE II programme to promote energy efficiency in the Community', hereafter referred to as 'the programme', for actions which fall within the objectives of this Decision.

#### *Article 2*

Under the programme, the following categories of actions and measures on energy efficiency shall be financed:

<sup>(1)</sup> OJ No C 287, 30. 10. 1995, p. 34.

<sup>(2)</sup> OJ No L 157, 9. 6. 1989, p. 32.

<sup>(3)</sup> OJ No C 293, 8. 11. 1995, p. 4.

- (a) studies and other related actions aimed at the implementation and completion of Community measures (such as voluntary agreements, mandates to standardization bodies, cooperative procurements and legislation) taken to improve energy efficiency, studies concerning the effects of energy pricing on energy efficiency, and studies with a view to establishing energy efficiency as a criterion within Community programmes;
- (b) sectoral targeted pilot actions aimed at accelerating energy efficiency investment and/or improving energy use patterns, to be carried out by organizations or public and private enterprises as well as by existing Community-wide networks or temporary groupings of organizations and/or enterprises formed to accomplish the projects;
- (c) measures proposed by the Commission to foster the exchange of experience aimed at promoting better coordination between international, Community, national, regional and local activities by appropriate means for information dissemination;
- (d) measures as under (c) but proposed otherwise than by the Commission;
- (e) monitoring of energy efficiency progress in the Community and in individual Member States and ongoing evaluation and monitoring of the actions and measures undertaken under the programme;
- (f) specific actions in favour of energy management at regional and urban level and in favour of greater cohesion between Member States and regions in the field of energy efficiency.

#### Article 3

1. All the costs relating to the actions and measures referred to in Article 2 (a), (c) and (e) shall be borne by the general budget of the European Communities.
2. The level of funding for the actions and measures referred to in Article 2 (b), (d) and (f) shall be set at a maximum of 50 % of their total cost.
3. The balance of the funding of the actions and measures referred to in Article 2 (b), (d) and (f) may be made up from either public or private sources or from a combination of the two.

#### Article 4

1. The final reference amount for the implementation of this programme shall be ECU 45 million. The annual appropriations shall be authorized by the budgetary authority within the limits of the financial perspectives.
2. Before the end of 1997, the Council, in accordance with the relevant provisions of the Treaty, shall review the financial reference amount for the remaining period of

the programme, on the basis of a communication and, if appropriate, proposals from the Commission taken into account all the relevant programmes in the energy sector.

#### Article 5

1. The Commission will be responsible for the financial execution and implementation of the programme. The Commission will also ensure that actions under this programme are subject to prior appraisal, monitoring and subsequent evaluation, which, on completion of the project, shall include assessment of impact, implementation and whether their original objectives have been achieved.

2. The selected beneficiaries shall submit reports to the Commission on a six-monthly basis and on completion.

3. The conditions and guidelines to be applied for the support of all actions and measures referred to in Article 2 shall be defined each year taking into account:

- the cost effectiveness criteria, the savings potential and environmental impact, in particular the reduction of CO<sub>2</sub> emissions,
- the list of priorities referred to in Article 7,
- the cohesion of Member States in the field of energy efficiency.

The Committee referred to in Article 6 (2) will assist the Commission in defining these conditions and guidelines.

#### Article 6

1. In cases where the amount involved does not exceed ECU 100 000, the following shall apply:

The Commission shall be assisted by a committee of an advisory nature composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.

2. In cases where the amount involved exceeds ECU 100 000, the following shall apply:

The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event:

- the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication,
- the Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous indent.

#### *Article 7*

The Commission shall formulate, on an annual basis, a list of priorities for funding under the programme. This list shall take into account complementarity between the SAVE II programme and the national programmes on the basis of annual information in a summary form supplied by each Member State. Priority shall be given to those areas where such complementarity is greatest.

The committee referred to in Article 6 (2) will assist the Commission in defining the list of priorities.

#### *Article 8*

1. After every year of the programme, the Commission shall present to the European Parliament and to the Council a progress report together with proposals concerning modifications of guidelines, defined according to Article 5 (3), which could be necessary in the light on the results of the previous year.

2. After the third year of the programme, the Commission shall present a report to the European Parliament

and to the Council on the energy efficiency measures undertaken at Community and Member State level and on the results achieved, with particular reference to the objectives outlined under Article 1. The report shall be accompanied by proposals for any amendments which may be necessary to the programme in the light of these results.

3. On expiry of the programme, the Commission shall make an overall assessment of the results obtained through the application of this Decision, and of the consistency of national and Community actions. It shall present a report thereon to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, stating in particular, how far the objective outlined under Article 1 has been achieved.

#### *Article 9*

Decision 89/364/EEC is hereby repealed.

#### *Article 10*

The programme shall be open to the participation of associated Central and Eastern European countries in accordance with the conditions, including financial arrangements, agreed to in the Additional Protocols to the association Agreements, concerning participation in Community programmes. This programme shall be open to the participation of Cyprus and Malta on the basis of additional appropriations in accordance with the same rules as apply to the EFTA countries following procedures to be agreed with the countries in question.

#### *Article 11*

This Decision shall apply from 1 January 1996 to 31 December 2000.

#### *Article 12*

This Decision is addressed to the Member States,

Done at Brussels, 16 December 1996.

*For the Council*

*The President*

D. HIGGINS