

COMMON POSITION (EC) NO 29/1999**adopted by the Council on 28 June 1999****with a view to adopting Decision No .../1999/EC of the European Parliament and of the Council adopting a multiannual programme for the promotion of renewable energy sources in the Community (Altener) (1998 to 2002)**

(1999/C 243/03)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF
THE EUROPEAN UNION,

Having regard to the Treaty establishing the European
Community, and in particular Article 175(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social
Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the
Regions ⁽²⁾,

Acting in accordance with the procedure laid down in Article
251 of the Treaty ⁽³⁾,

- (1) Whereas Article 174 of the Treaty provides that one of the objectives of Community action is to ensure prudent and rational utilisation of natural resources;
- (2) Whereas Article 152 of the Treaty provides that health protection requirements are to form a constituent part of the Community's other policies; the Altener programme set out in this Decision contributes to health protection;
- (3) Whereas at its meeting on 29 October 1990 the Council set an objective of stabilising total CO₂ emissions by the year 2000 at the 1990 level in the Community as a whole;
- (4) Whereas the Kyoto Protocol to the United Nations Framework Convention on Climate Change contains further commitments for the Community and its Member States to reduce greenhouse gas emissions, including the undertaking given by the Community to the effect that an 8% reduction in greenhouse gas emissions for the years 2008 to 2012 compared with 1990 levels would be achieved;

(5) Whereas a mechanism for monitoring CO₂ and other greenhouse gas emissions in the Community was established by Council Decision 93/389/EEC ⁽⁴⁾;

(6) Whereas CO₂ emissions from energy consumption in the Community are likely to increase by about 3% between 1995 and 2000, assuming normal economic growth; in the light of the abovementioned Kyoto undertaking, it is essential to adopt additional measures; measures which would genuinely help to achieve the above objective include a much more intensive use of renewable energy sources as well as energy efficiency;

(7) Whereas at its meeting on 25 and 26 June 1996 the Council noted that in the framework of the negotiations on a protocol concerning the Berlin Mandate, the Second Assessment Report of the Intergovernmental Panel on Climate Change (SAR IPCC) had concluded that the balance of evidence suggested that there was a discernible human influence on global climate change and had stressed the need for urgent action at the widest possible level, noted that significant 'no-regrets' opportunities were available and requested the Commission to identify the measures that had to be taken at Community level;

(8) Whereas by the Green Paper of 11 January 1995 and the White Paper of 13 December 1995 the Commission communicated to the European Parliament and the Council its views on the future of energy policy in the Community and on the role that renewable energy sources should play;

(9) Whereas in its resolution of 4 July 1996 on a Community action plan for renewable energy sources ⁽⁵⁾ the European Parliament called on the Commission to implement a Community action plan to promote renewable energy sources;

(10) Whereas by the Green Paper of 20 November 1996 and the White Paper of 26 November 1997 entitled 'Energy for the future: Renewable sources of energy', the Commission started a process for the development and

⁽¹⁾ OJ C 214, 10.7.1998, p. 44.

⁽²⁾ OJ C 315, 13.10.1998, p. 2.

⁽³⁾ Opinion of the European Parliament of 11 March 1999 (OJ C 175, 21.6.1999, p. 262), Council Common Position of 28 June 1999 and Decision of the European Parliament of ... (not yet published in the Official Journal).

⁽⁴⁾ OJ L 167, 9.7.1993, p. 31.

⁽⁵⁾ OJ C 211, 22.7.1996, p. 27.

further implementation of a Community strategy and an action plan on renewable energy sources; these are set out, together with a 'Campaign for take-off', in its White Paper;

- (11) Whereas in its resolution of 15 May 1997⁽¹⁾ on the Green Paper entitled 'Energy for the future: Renewable sources of energy', the European Parliament urged the Commission to adopt as soon as possible a strengthened Altener II programme; in its resolution of 18 June 1998 on the Commission communication 'Energy for the future: Renewable sources of energy – White Paper for a Community strategy and action plan'⁽²⁾, it called for a clear increase in funding for the Altener programme in the energy framework programme;
- (12) Whereas Article 8 of 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⁾ offers Member States the possibility of furthering the penetration of the market in electricity produced from renewable sources of energy by giving them priority;
- (13) Whereas Article 158 of the Treaty provides that the Community is to develop and pursue its actions leading to the strengthening of its economic and social cohesion and that, in particular, it is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions; those actions cover, *inter alia*, the energy sector;
- (14) Whereas in Decision 93/500/EEC⁽⁴⁾ and Decision 98/352/EC⁽⁵⁾, the Council adopted a Community programme entitled Altener for the promotion of renewable energy sources aimed at reducing CO₂ emissions by increasing the market share of renewable energy sources and its contribution to overall primary energy production in the Community;
- (15) Whereas the Community has recognised that the Altener programme represents an important element of the Community strategy for reducing CO₂ emissions;
- (16) Whereas provision should therefore be made within the multiannual framework programme for actions in the energy sector (1998 to 2002) adopted by Council Decision 1999/21/EC, Euratom⁽⁶⁾ for a specific programme for the promotion of renewable energy sources; this specific programme would replace the corresponding instrument currently in force;
- (17) Whereas in implementing Decision No 182/1999/EC of the European Parliament and of the Council of 22 December 1998 concerning the fifth framework programme of the European Community for research, technological development and demonstration activities (1998 to 2002)⁽⁷⁾, the Council Decision of 25 January 1999 adopting a specific programme for research, technological development and demonstration on energy, environment and sustainable development (1998 to 2002)⁽⁸⁾ devotes particular attention to efficient and renewable energy technologies; the Altener programme is an instrument which complements that programme;
- (18) Whereas the Altener programme does not alter national projects or systems for the promotion of renewable resources; its objective is to add a Community aspect that represents added value;
- (19) Whereas renewable energy sources are an important energy source for the European Union with considerable commercial potential; their development should therefore be supported through a specific strategy and targeted actions to make them both viable and competitive and thus create a favourable environment for investment;
- (20) Whereas the increased use of renewable sources of energy will have a positive effect both on the environment and on the security of energy supplies; the free and large-scale development of renewable energy sources will make it possible fully to exploit their economic and employment potential; a high degree of international cooperation is desirable to achieve the best results;
- (21) Whereas a strengthened Altener programme represents an essential instrument for developing the potential of renewable energy sources; renewable energy sources should account for a reasonable share of the European internal energy market;
- (22) Whereas in order to ensure proper implementation of the Community strategy and action plan up to 2010 for renewable energy sources, the Commission needs appropriate mechanisms for monitoring and assessing the various initiatives;
- (23) Whereas the aim of the targeted actions referred to in Article 2(d) of this Decision is to facilitate and accelerate investment in new operational capacity for the production of energy from renewable sources by providing financial support, in particular for small and

⁽¹⁾ OJ L 167, 2.6.1997, p. 160.

⁽²⁾ OJ C 210, 6.7.1998, p. 215.

⁽³⁾ OJ L 27, 30.1.1997, p. 20.

⁽⁴⁾ OJ L 235, 18.9.1993, p. 41.

⁽⁵⁾ OJ L 159, 3.6.1998, p. 53.

⁽⁶⁾ OJ L 7, 13.1.1999, p. 16.

⁽⁷⁾ OJ L 26, 1.2.1999, p. 1.

⁽⁸⁾ OJ L 64, 12.3.1999, p. 58.

medium-sized enterprises (SMEs), in order to reduce the peripheral and service costs of renewable energy projects, and thus overcome the non-technical obstacles present; those actions promote, *inter alia*, access to specialised advice, the analysis of market prospects, the choice of location of projects, application for construction and operation permits, initiatives taken by SMEs on investment in renewable sources of energy, the establishment of financing plans, the preparation of calls for tenders, the training of operators and plant commissioning;

- (24) Whereas those targeted actions concern the implementation of projects carried out in the area of biomass, including energy crops, firewood, residues from forestry and agriculture, municipal waste which cannot be recycled, liquid biofuels and biogas, and in the areas of thermal and photovoltaic solar systems, passive and active solar systems in buildings, small scale (less than 10 MW) hydroelectric projects, wave energy, wind power and geothermal energy;
- (25) Whereas the development of renewable energy sources can help create a competitive energy system for the whole of Europe and develop a European renewable energy sources industry, with vast opportunities for the export of know-how and for investment in third countries involving Community participation;
- (26) Whereas it is politically and economically desirable to open the Altener programme to the associated central and east European countries, in accordance with the conclusions of the Copenhagen European Council of 21 and 22 June 1993 as confirmed by subsequent European Councils and as outlined in the Commission communication on that subject in May 1994, and also to Cyprus;
- (27) Whereas in order to ensure that Community aid is used efficiently and duplication of work is avoided the Commission will ensure that projects are subject to thorough prior appraisal; it will systematically monitor and evaluate the progress and results of supported projects;
- (28) Whereas this Decision establishes a financial framework which should be the principal point of reference, within the meaning of point 1 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995⁽¹⁾ for the budgetary authority for the purposes of the annual budgetary procedure; account should be taken of the fact that a new financial perspective will be negotiated during the course of the Altener programme;
- (29) Whereas this Decision replaces Decision 98/352/EC which should accordingly be repealed.

HAVE ADOPTED THIS DECISION:

Article 1

1. Within the multiannual framework programme for actions in the energy sector, a specific programme for promotion of renewable energy sources and support for the implementation of a Community strategy and action plan for renewable energy sources to the year 2010 (hereinafter referred to as 'the Altener programme') shall be implemented by the Community for the period 1998 to 2002.

In addition to the priority objectives listed in Article 1(2) of Council Decision 1999/21/EC, Euratom the objectives of the Altener programme shall be:

- (a) to help create the necessary conditions for the implementation of a Community action plan for renewable energy sources, and in particular the legal, socioeconomic and administrative conditions;
- (b) to encourage private and public investment in the production and use of energy from renewable sources.

These two specific objectives shall contribute to achieving the following overall Community objectives – complementing those of the Member States – and priorities: limitation of CO₂ emissions, increasing the share of renewable energy sources in order to reach the indicative objective of 12% in the gross internal energy consumption in the Community in 2010, reduction in energy import dependence, security of energy supply, promotion of employment, economic development, economic and social cohesion and local and regional development, including the strengthening of the economic potential of remote and peripheral regions.

2. Community financial support shall be granted under the Altener programme for actions and measures meeting the objectives set out in paragraph 1(a) and (b).

3. The financial framework for the implementation of the Altener programme shall be EUR 74 million. Of this amount, EUR 29,6 million shall be for the period 1998 to 1999.

The financial framework for the period 2000 to 2002 shall be EUR 44,4 million. This amount shall be reviewed if it is not consistent with the financial perspective for that period.

The annual appropriations shall be authorised by the budget authority within the limits of the financial perspective.

Article 2

The following actions and measures relating to renewable energy sources shall be financed under the Altener programme:

⁽¹⁾ OJ C 102, 4.4.1996, p. 4.

- (a) studies and other actions, intended to implement and complement other measures by the Community and Member States taken to develop the potential of renewable energy sources. These involve in particular the development of sectoral and market strategies, the development of norms and certification, facilitating grouped procurement, analyses, based on projects, comparing the environmental impact and the long-term cost/benefit trends resulting from the use of traditional forms of energy and the use of renewable energy sources, the analysis of the legal, socioeconomic and administrative conditions, including analysis of the possible use of economic measures and/or tax incentives which are more favourable to the market penetration of renewable energies, the preparation of appropriate legislation to promote an environment favourable to investment and better methods which make it possible to evaluate the costs and benefits that are not reflected in the market price;
- (b) pilot actions of interest to the Community aimed at creating or extending structures and instruments for the development of renewable energy sources in:
- local and regional planning,
 - the tools for planning, design and evaluation,
 - new financial products and market instruments;
- (c) measures intended to develop information, education and training structures; measures to encourage the exchange of experience and know-how aimed at improving coordination between international, Community, national, regional and local activities; establishment of a centralised system for collecting, prioritising and circulating information and know-how on renewable energy sources;
- (d) targeted actions facilitating the market penetration of renewable energy sources and relevant know-how, in order to facilitate the transition from demonstration to marketing, and encouraging investment, by advising on the preparation and presentation of projects and their implementation;
- (e) monitoring and evaluation actions intended to:
- monitor the implementation of the Community strategy and action plan for the development of renewable energy sources,
 - support initiatives taken in implementing the action plan, particularly with a view to promoting better coordination and greater synergy between actions, including all Community funded activities and those funded by other bodies such as the European Investment Bank,
 - monitor the progress achieved by the Community and comment on that achieved by the Member States with regard to the development of renewable energy sources,
 - evaluate the impact and cost effectiveness of actions and measures undertaken under the Altener programme. This evaluation shall also take into account the environmental and social aspects, including the effects on employment.

Article 3

1. All costs relating to the actions and measures referred to in Article 2(a), (c) and (e) shall be borne by the Community. Where a body other than the Commission proposes a measure covered by Article 2(c), the Community's financial contribution shall not exceed 50% of the total cost of the measure; the balance may be made up from public or private sources or a combination of the two.
2. The level of funding under the Altener programme for the actions and measures referred to in Article 2(b) shall not exceed 50% of their total cost; the balance may be made up from public or private sources or a combination of the two.
3. The level of funding under the Altener programme for the actions and measures referred to in Article 2(d) shall be established annually for each of the targeted actions in accordance with Article 4(2).

Article 4

1. The Commission shall be responsible for the financial execution and implementation of the Altener programme.

The Commission shall also ensure that actions under the Altener programme are subject to prior appraisal, monitoring and subsequent evaluation which, on completion of the project, shall include assessment of impact, implementation and whether the original objectives have been achieved.

The Commission shall ensure that the selected beneficiaries submit reports to the Commission on at least a six-monthly basis or, in the case of projects lasting less than one year, at the halfway point and in all cases on completion.

The Commission shall keep the committee, referred to in Article 5, informed of the development of projects.

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

- (a) the priorities set out by the Community and the Member States in their programmes for the promotion of renewable energy sources;

- (b) criteria relating to the cost effectiveness and development potential of renewable energy sources and their impact on employment and the environment, in particular the reduction of CO₂ emissions;
- (c) for the actions referred to in Article 2(d), the relative cost of the assistance, the long-term commercial viability, the new production capacity expected to arise and the extent of transregional and/or transnational benefits;
- (d) the principles established in Article 87 of the Treaty and the relevant Community guidelines on State aid for environmental protection.

The committee provided for in Article 5 shall assist the Commission in defining these conditions and guidelines.

Article 5

The Commission shall be assisted, for the purposes of implementing the Altener programme, by the committee referred to in Article 4 of Decision 1999/21/EC, Euratom.

Article 6

Examination and internal and external assessment of the implementation of the Altener programme shall be carried out in accordance with the provisions of Article 5 of Decision 1999/21/EC, Euratom.

Article 7

The Altener programme shall be open to participation by associated central and east European countries in accordance

with the conditions, including financial provisions, laid down in the additional protocols to the Association Agreements, or in the Association Agreements themselves, relating to participation in Community programmes.

The Altener programme shall also be open to participation by Cyprus on the basis of additional appropriations, under the same rules as those applied to the EFTA/EEA countries, in accordance with procedures to be agreed with that country.

Article 8

This Decision shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*.

Article 9

Decision 98/352/EC shall be repealed.

Article 10

This Decision is addressed to the Member States.

Done at ...

For the European Parliament

The President

...

For the Council

The President

...

STATEMENT OF THE COUNCIL'S REASONS

I. INTRODUCTION

1. On 4 December 1997, the Commission forwarded to the Council a proposal for a Council Decision adopting a multiannual programme for the promotion of renewable energy sources in the Community (1998 to 2002) the Altener programme⁽¹⁾.
2. The European Parliament delivered its opinion on 11 March 1999⁽²⁾. The Economic and Social Committee and the Committee of the Regions have delivered their opinions⁽³⁾.
3. On 25 May 1999, the Commission forwarded an amended proposal to the Council⁽⁴⁾.
4. On 28 June 1999, the Council adopted its Common Position pursuant to Article 251 of the Treaty.

II. AIM OF PROPOSAL AND BACKGROUND

5. This proposal is a part of the energy framework programme, which was adopted by the Council on 14 December 1998⁽⁵⁾. The objective of the energy framework programme is to create a framework for a more focused and integrated energy policy in the Community. The framework programme consists of a basic decision setting out general principles and six specific programmes of which this proposal, the Altener programme, is one.

This proposal aims to include the already existing programme for promotion of renewables in the energy framework programme.

III. ANALYSIS OF THE COMMON POSITION

A. General remarks

6. On 18 May 1998, the Council decided to prolong and update the already existing Altener programme, which expired at the end of 1997. The new, updated Altener programme⁽⁶⁾ was therefore used as a basis during the negotiations on the energy framework programme.
7. The Council considered that the basic decision of the energy framework programme should contain rules and principles which are general in character and thus valid for all the specific programmes. Provisions on general objectives, reports to the European Parliament and the Council, committee procedures for implementation measures have been included in the basic decision; the specific programmes refer to the basic decision on these issues.
8. The Council has decided to include a financial reference amount in all specific programmes of the energy framework programme. In this context, the Council has agreed to give priority to this proposal on renewable energy sources, together with the proposal concerning energy efficiency (see Article 1(3)).

⁽¹⁾ Not published in the Official Journal.

⁽²⁾ OJ C 175, 21.6.1999, p. 262.

⁽³⁾ The Economic and Social Committee: OJ C 214, 10.7.1998, p. 44.
The Committee of the Regions: OJ C 315, 13.10.1998, p. 1.

⁽⁴⁾ Not yet published in the Official Journal; see doc. 8853/99 ENER 68 ENV 191 CODEC 308.

⁽⁵⁾ OJ L 7, 13.1.1999, p. 16.

⁽⁶⁾ OJ L 159, 3.6.1998, p. 53.

B. Amendments proposed by the European Parliament

9. The Council has adopted, in full or in part, or in some cases in principle, the following proposed amendments: 1, 2, 4, 5, 7, 8, 9, 11, 14, 17, 18, 19, 20, 21, 23 and 24.

The Council has not included the following proposed amendments in its Common Position: 3, 6, 10, 12, 13, 15, 16, 22, 26 and 30, of which the Commission had rejected proposed amendments 3, 12, 15, 26 and 30. In some cases, the proposed amendments have been covered by provisions included in other decisions of the energy framework programme, which the Council saw no need to repeat in this context.
