II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 18 May 1998

concerning a multiannual programme for the promotion of renewable energy sources in the Community (Altener II)

(98/352/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 [1],

Having regard to the opinion of the Economic and Social Committee [2],

Having regard to the opinion of the Committee of the Regions [3],

Acting in accordance with the procedure laid down in Article 189c of the Treaty [4],

(1) Whereas Article 130r 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 129 of the Treaty provides that health protection requirements shall form a constituent part of the Community's other policies; whereas the Altener programme contributes to health protection;

(3) Whereas at its meeting on 29 October 1990 the Council announced its objective of stabilising total CO_2 emissions by 2000 at the 1990 level in the Community as a whole;

(4) Whereas a mechanism for monitoring CO_2 and other greenhouse gas emissions in the Community was established by Decision 93/389/EEC [5];

(5) Whereas CO_2 emissions from energy consumption in the Community are likely to increase by about 3% between 1995 and 2000, assuming normal economic growth; whereas it is, therefore, essential to adopt additional measures;

(6) 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;

(7) Whereas with 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;

[1] OJ C 192, 24. 6. 1997, p. 16.
[2] OJ C 19, 21.1.1998, p. 32.
[3] OJ C 379, 15. 12. 1997, p. 63.
[4] Opinion of the European Parliament of 6 November 1997 (OJ C 358, 24. 11. 1997, p. 30), Council Common Position of 19 January 1998 (OJ C 62, 26. 2. 1998, p. 31) and Decision of the European Parliament of 30 April 1998 (OJ C 152, 18. 5. 1998).

[5] OJ L 167, 9. 7. 1993, p. 31.

(8) Whereas in its resolution of 4 July 1996 [1] the European Parliament called upon the Commission to implement a Community action plan to promote renewable energy sources;

(9) Whereas with the Green Paper of 20 November 1996 entitled 'Energy for the Future: Renewable Sources of Energy' the Commission started a process for the development and further implementation of a Community Strategy and an Action Plan on Renewable Energy Sources (RES);

(10) Whereas in its resolution of 14 November 1996 [2] on the Commission White Paper entitled 'An Energy Policy for the European Union' the European Parliament called upon the Commission to establish a financial programme aimed at promoting sustainable energy; whereas, in its resolution of 15 May 1997 [3] on the Green Paper entitled 'Energy for the Future: Renewable Sources of Energy' it expressly requests the adoption as soon as possible of a strengthened Altener II programme;

(11) 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 [4] offers Member States the possibility of furthering the penetration of the market in electricity produced from renewable sources of energy by giving them priority;

(12) Whereas Article 130a of the Treaty provides that the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion and that, in particular, it shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions; whereas those actions cover *inter alia* the energy sector;

(13) Whereas in Decision 93/500/EEC [5] the Council adopted a Community programme entitled 'Altener' for the promotion of renewable energy sources aimed at reducing CO_2 emissions by increasing the market share of renewable energy sources and its contribution to overall primary energy production in the Community; whereas that programme ends on 31 December 1997;

(14) Whereas the Community has recognised that the Altener programme represents an important element of the Community strategy for reducing CO_2 emissions;

(15) Whereas Decision 1110/94/EC of the European Parliament and of the Council [6] established a fourth framework programme for research, technological development and demonstration projects; whereas policy in the field of renewable energy sources is an important instrument for the use and promotion of the new energy technologies that the framework programme will develop; whereas the Altener II programme is an instrument which complements that programme;

(16) Whereas the Altener II programme does not alter national projects or systems for the promotion of renewable resources; whereas its objective is to add a Community aspect that represents added value;

(17) Whereas, furthermore, the fifth framework programme of research, technological development and demonstration should devote special attention to energy and whereas Altener II should again be an important additional instrument in this programme;

(18) Whereas renewable energy sources are an important energy source for the European Union with considerable commercial potential; whereas 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;

(19) 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; whereas the free and large-scale development of renewable energy sources will make it possible fully to exploit their economic and employment potential; whereas a high degree of international cooperation is desirable to achieve the best results;

(20) Whereas a strengthened Altener II programme represents an essential instrument for developing the potential of renewable energy sources; whereas renewable energy sources should account for a reasonable share of the European internal energy market;

(21) Whereas the aim of the targeted actions referred to in Article 2(1)(d) is to facilitate and accelerate investment in new operational capacity for the production of energy from renewable sources by

[1] OJ C 211, 22. 7. 1996, p. 27.
[2] OJ C 362, 2. 12. 1996, p. 279.
[3] OJ C 167, 2. 6. 1997, p. 160.
[4] OJ L 27, 30. 1. 1997, p. 20.
[5] OJ L 235, 18. 9. 1993, p. 41.
[6] OJ L 126, 18. 5. 1994, p. 1. Decision as amended by Decision No 616/96/EC (OJ L 86, 4. 4. 1996, p. 69).

providing financial support, in particular for small and 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; whereas 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;

(22) 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 (< 10 MW) hydroelectric projects, wave energy, wind power and geothermal energy;

(23) 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;

(24) Whereas in implementing the programme, there should be close cooperation with other Community actions and programmes also concerned with promoting renewable energy sources;

(25) Whereas in order to ensure that Community aid is used efficiently the Commission will ensure that projects are subject to thorough prior appraisal; whereas it will systematically monitor and evaluate the progress and results of supported projects;

(26) 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 ([1]) 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;

(27) Whereas it is politically and economically desirable to open the Altener II programme to the associated central and eastern European countries in accordance with the conclusions of the Copenhagen European Council of 21 and 22 June 1994, and as outlined in the communication on that subject presented to the Council by the Commission in May 1994; whereas it should also be open to Cyprus,

HAS ADOPTED THIS DECISION:

Article 1

1. A multiannual programme of measures and actions to promote the use of renewable energy sources in the Community, called Altener II, hereinafter referred to as 'the programme', is hereby established.

The objectives of the programme shall be to:

(a) help create the necessary conditions for the implementation of a Community action plan for renewable energy sources, and in particular the legal, socio-economic and administrative conditions;

(b) encourage private and public investments 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: the limitation of CO_2 emissions, increasing the share of renewable energy sources in the energy balance, 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 programme for actions meeting the objectives set out in paragraph 1(a) and (b).

3. The financial reference amount for the implementation of the programme shall be ECU 22 million. 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 programme:

(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

([1]) OJ C 293, 8. 11. 1995, p. 4.

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, socio-economic 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 this 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(1)(a), (c) and (e) shall be borne by the Community. Where a body other than the Commission proposes a measure covered by (c), the Community's financial contribution shall not exceed 50 % of the total cost of the measure; the balance may be defrayed by public or private sources or a combination of the two.

2. The level of funding under the programme for the actions and measures referred to in Article 2(1)(b) shall not exceed 50 % of their total cost; the balance may be defrayed by public or private sources or a combination of the two.

3. The level of funding under the programme for the actions and measures referred to in Article 2(1)(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 programme. It shall also ensure that actions under the programme are subject to prior appraisal, monitoring and subsequent evaluation which, on completion of the project, shall include assessment of impact, extent of implementation and whether the original objectives have been achieved. The Commission shall ensure that the selected beneficiaries submit reports to the Commission at least on a six-monthly basis or, in the case of projects lasting less than one year, at the halfway point and on completion.

The Commission shall keep the committee provided for 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(1) 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 CO_2 emissions;

(c) for the actions referred to in Article 2(1)(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 92 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 by a committee composed of 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:

(a) 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;

(b) the Council, acting by a qualified majority, may take a different decision within the time limit referred to in point (a).

Article 6

1. During the second year of the programme, the Commission shall present a report to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on the measures taken to promote renewable energy sources at the level of the Community and of the Member States, with reference in particular to the objectives set out in Article 1. That report shall be accompanied by proposals for any amendments to the programme which may be necessary in the light of those results.

2. On the expiry of the programme, the Commission shall assess the results obtained from the application of this Decision on the basis of a report by independent experts and 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.

Article 7

The programme shall be open to participation by associated central and eastern European countries (CEEC) 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 programme shall also be open to participation by Cyprus on the basis of additional appropriations, under the same rules as those applied to EFTA/EEA countries, in accordance with procedures to be agreed with that country.

Article 8

This Decision shall apply from 1 January 1998 until the entry into force of the multiannual framework programme for measures in the energy sector and until 31 December 1999 at the latest.

Article 9

This Decision is addressed to the Member States.

Done at Brussels, 18 May 1998.

For the Council

The President

LORD SIMON of HIGHBURY