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ADDENDUM TO NOTE

from : Council Secretariat
to : Delegations
Subject : Energy Policy for Europe
Sustainability of energy production and consumption : Promoting Energy
Efficiency and Renewable Energy
- Policy debate
= contribution from the Slovak Republic

Delegations will find attached a contribution from the Slovak Republic to the policy debate on energy efficiency and renewable energy to be held on occasion of the TTE Council on 23 November 2006.

**TRANSPORT, TELECOMMUNICATIONS AND ENERGY COUNCIL (ENERGY),
BRUSSELS, 23 NOVEMBER 2006**

Energy policy for Europe

Sustainability of energy production and consumption: promotion of Energy Efficiency and Renewable Energy

Contribution of the Slovak Republic to the policy debate

1. In view of the recently launched Energy Efficiency Action Plan and the forthcoming National Energy Efficiency Action Plans: what are the priority measures for tackling the greatest obstacles to the improvement of energy efficiency? What would constitute concrete and practical measures for integrating energy efficiency with other EU/national policy goals in a coherent and synergetic way?

The Slovak Republic considers energy efficiency in relation to security of energy supplies, sustainable development, and the climatic changes in progress to constitute an important means to tackle these serious challenges.

The basic approach for the field of sustainable development of energy consists in diversifying the options of import of energy raw materials and in recovering energy therefrom as efficiently as possible; in the use of domestic energy sources including renewable sources, the use being as extensive as possible, but cost effective at the same time; in using energy as reasonably as possible; as well as in systematic reduction of energy intensity and general consumption of energies in the framework of a long-term perspective.

One of the basic pillars of economic prosperity and quality of life of European Union's population and thus also of the Slovak Republic is the security of energy supplies and reduction of energy intensity. Energy efficiency is a cross-cutting issue affecting all industries of the economy. Future measures must therefore be focused on the areas of energy production, transformation and distribution as well as energy consumption in the key sectors of buildings, transport, industry and other. Benefits of energy efficiency include positive environmental impacts, acceleration and improvement of economy's competitiveness, creation of new skilled jobs, implementation of the outcomes of science, research and innovation. Last but not least, this opens up possibilities for better application of renewable energies.

An important aspect is the possibility to contribute to the effort of reducing energy consumption and the amount of greenhouse gas emissions through the promotion of top European technologies on the global scale and through international partnerships. The Slovak Republic welcomed the approach of the European Commission to the issue and supported the publication of the Green Paper on Energy Efficiency and the preparation of the Energy Efficiency Action Plan by the European Commission.

In the next year, member states will face an important task of preparing National Energy Efficiency Action Plans. In our opinion and based on previous experience, National Energy Efficiency Action Plans should be created in accordance with the principle of subsidiarity and should enable the member states to choose the relevant measures and determine running objectives according to specific conditions of individual countries. In this respect, we consider necessary to emphasise the need for a flexible approach, whose basic feature should be the indicative objectives for individual areas.

The most important priority for the Slovak Republic is the consistent implementation of existing EU legislation. The essential pieces of legislation include particularly the Directive on Energy End-Use Efficiency and Energy Services and the Directive on the Energy Performance of Buildings. We welcome the coordination of standpoints on problem solution and transfer of ideas, e.g., through Harmonised Actions and projects of the Intelligent Energy – Europe programme, which thus support the fulfilment of European policies in energy. What will also be important is the introduction of energy efficiency as a criterion in the framework of public procurement, creating relevant financial mechanisms.

It is also necessary to understand that creating an efficient system of improving energy efficiency requires a longer period of time. Multiple necessary mechanisms have been hitherto nonexistent in the Slovak Republic and are being created during the running implementation of the relevant European legislation. There are problems with the establishment of monitoring systems and methodologies for energy efficiency and with data protection in databases that would enable creating a more effective system for the management of state policies and programmes supporting energy efficiency and the use of renewable energy sources. The training of the respective experts also requires a longer period of time.

An important role will be played by the implementation measures of the Directive on Eco-Design, which, along with the labelling of appliances, will create the basis for energy consuming products. From the viewpoint of the energy sector transformation, it will be necessary to create targeted and effective tools to improve the efficiency of not only the new but also of the existing energy production capacities and to reduce losses in transmission and distribution. Equally important will be the measures aimed at the growing sector of transport in the Slovak Republic.

Energy efficiency and measures following therefrom should also be reflected in the reduced impact of the increasing energy prices on households, in prospective reduction of households' payments for energies, in improvement of housing, and have thus a direct impact on the daily life of the entire population. An inevitable tool will be the information campaigns aimed at increasing consumer awareness on energy efficiency and energy savings, dissemination of accurate information on the need and consumption of energy, on energy costs and possibilities of obtaining energy, on advantages resulting from savings, on the availability and reliability of energy efficient technologies, because without adequate awareness and public support, it will be very difficult to achieve desirable results. Sustainability of such a trend, however, will be enabled by continuous and systematic education.

The Slovak Republic supports the steps of the European Commission taken towards a more efficient use of energy sources and is of the opinion that by combining the application of the existing measures and prospective measures based also on the Energy Efficiency Action Plan we will achieve a general positive change of attitude to energy consumption.

2. Taking into account the principles of subsidiarity, flexibility and cost-efficiency, what would be the most effective combination of targets and measures – whether existing or new – at Member State and/or Community level to ensure a significant contribution from renewable energy to the three objectives of the Energy Policy for Europe over the long term (2020+)?

With respect to the future objectives for renewable energy sources (RES) for the energy sector or subsectors, the Slovak Republic is of the opinion that an adequate solution would be to assign each country a common objective for the percentage of RES in the energy consumption, whereby the development would become more flexible and reflecting specific initial conditions of individual countries. At the same time, the Slovak Republic prefers the indicative nature of the objectives set.

Justification: Various member states have different conditions for the use of RES and each state should support such form of use of such sources, for which it has the best conditions.

The measures to achieve the objectives must lead to long-term sustainability of projects of higher use of RES. That means that after some time, they will be competitive even without special support. Taxation of energy from fossil fuels as well as the increase of oil and natural gas prices creates broader space for the use of RES. EU countries should look for a way to separate the economic growth from increasing consumption of energies from fossil fuels. An important measure is an efficient investment in RES research and development, whose outcomes should include particularly low cost technologies.

Justification: The present global economic competitiveness is based on the use of fossil fuels, with even a partial transition to use of RES requiring financial expenses. The analysis of economic viability of RES use shows that in most cases, support is necessary, which, however, is not sustainable in a long term. The principle of sustainable development requires that RES become economically competitive with fossil fuels.

3. What are the first priorities in enhancing international cooperation in the fields of energy efficiency and renewable energy? What kinds of multilateral and bilateral initiatives should be prepared?

The Slovak Republic considers the issues of climatic changes in relation to the energy sector to be global challenges that require concerted response by all the involved entities on a global level. Based on this reason it welcomes the European Commission's plans to intensify the cooperation in the field of energy efficiency and renewable energy on the international level.

We endorse the attitude of the European Community to these issues and we support "globalisation" of this view, as the measures aimed at improving energy efficiency and supporting renewable energy may globally contribute to the improvement of access to energies, limiting the "energy poverty", improving security of supply, reducing the greenhouse gas emissions, to air protection, to population health protection, and to the support of sustainable economic growth.

Slovakia supported the establishment of the common EU external energy policy and considers it to be an area, in which the available synergies may significantly contribute to achieving the objectives of the common energy policy. We are of the opinion that the principles of sustainable energy and measures in this area should form a vital part of the common external energy policy, whose objectives must be integrated in other external policies and should constitute the topics of dialogues with our partners on the side of production as well as that of consumption.

We consider an appropriate tool of global support for sustainable energy to be the proposed international agreement on energy efficiency, which should support the increase of efficiency in energy use, sustain the technological cooperation supporting application of European companies' technologies, and create a non-discriminatory competitive environment. In this context, it is also necessary to promote the enlargement of the geographic scope of the EU Emissions Trading Scheme. We also support the expansion of the Energy Star Agreement.

From our point of view, what appears to be important is to ensure the funding of these measures and to intensify the participation of international financial institutions in international energy projects, while we welcome the plan of establishing the Global Energy Efficiency and Renewable Energy Fund with the participation of private capital.

The postulates of energy efficiency and development of renewable energy should likewise become part of trade policy and development programmes, as the access to energy represents one of the basic preconditions for economic growth of developing countries and an opportunity of these countries to start directly the path of sustainable development of the energy sector. Attention should be paid to promotion of technologies of EU companies, where we see the potential particularly in micro cogeneration and solar technologies.

Equally important for promotion of these policies will be a stable international environment, where, along with the treaty framework, it is advisable to support compliance with the present WTO rules in international activities and better cooperation in the framework of international platforms, particularly within the United Nations, the International Energy Agency, and the Energy Charter.

Efficient use of the limited energy sources and environmental protection represent a global problem and our common challenge for the future. International cooperation in these fields may contribute to an improvement of energy security and ensuring sustainable development.
