



## **PES Initiative on Energy and Climate Change**

**As adopted by the PES Presidency on 30<sup>th</sup> March 2006**

### **PES Leaders agreement**

At their recent meeting in Prague, PES leaders discussed the key political issue of energy policy. All leaders strongly support a common European energy policy. Moreover, they underlined the importance in investing in energy efficiency and renewable energy sources. The issue of nuclear energy was also discussed at the meeting, with divergent views expressed.

It was agreed to launch a PES initiative on energy and climate change. Drawing on the different concerns expressed, the PES President outlined the four main elements of such an initiative:

- Addressing security of supply concerns
- Need for coherence between climate change and energy policy
- The development and take-up of renewable energy sources as a strong pillar of a new energy policy
- Investing in energy efficiency

It was agreed that the PES initiative should focus on these four elements in an integrated way.

### **Political context**

The push for a common European energy policy originates in security of supply concerns which have intensified due to recent increases in oil prices and the gas dispute between Russia and the Ukraine earlier this year. The EU currently imports more than 50% of its energy. If current trends continue, this will rise to 70% by 2030.

The European Commission Green Paper on a common energy policy will be discussed at the Spring Summit at the end of the month. The Commission will produce a White Paper (draft strategy) at the end of the year, to be agreed by Member States at the Spring Summit 2007 (German Presidency).

Common and integrated energy policies also require further investment in renewable energy sources to reach the EU's collective target of 12% by 2010 (share of energy production to be produced by renewable energy sources) and an intensification in efforts towards energy efficiency.

Decreasing Europe's reliance on fossil fuels is linked to both improving our energy security and ensuring that we reach our commitments under the Kyoto Protocol which entered into force in February 2005. The subsequent G8 Summit agreed a package of actions, recognised the urgency of climate change and established a follow-up dialogue with key



countries such as China, India and Brazil. Other formal and informal dialogues were organized.

All this led to the successful United National Framework Convention on Climate Change meeting in Montreal in December 2005, where agreement was reached both to a review among Kyoto signatories of their future commitments and to an open review of future action beyond 2012 involving all countries. However, profound challenges lie ahead. At a domestic level, many Kyoto signatories are not currently on track to meet the commitments that they signed up to. Only a few countries are working towards ambitious long-term goals to reduce emissions.

## **PES Proposal**

Building on the PES priority agreed in Vienna (to double the renewable energy target), the PES will start an energy and climate change initiative which integrates the four elements outlined above and is rooted in our social democratic values. Moreover, the impact of high energy prices on poorer consumers and the resulting regressive redistributive affect, as well as the job creation and growth potential of emerging energy sectors will also be considered.

Addressing the twin challenges of energy security and climate change requires a coherent approach which involves PES structures in different fields. The timing of such an initiative should take into account the expected EU timetable and the timing of PES Leaders meetings and the PES Congress.

## **The PES initiative will proceed in a two stages:**

### **(1) Consultation of PES ministerial co ordinations (April – June 2006)**

It is essential that a coherent approach is taken which stimulates debate around the different economic, social and environmental aspects of energy policy. A discussion paper which sets out an overview of the challenges and addresses specific questions to each group of PES ministers and spokespeople will provide a framework for debate (during PES coordination meetings prior to relevant Council configurations: Energy, Environment, ECOFIN, International Development, Foreign Affairs). The debate provoked by these questions will provide a starting point for the PES Working Group.

### **(2) PES Working Group on Energy and Climate Change (June – November 2006)**

A specific PES Working Group will be set up to reflect further on this issue. At the PES leaders' meeting in June, we will agree on the composition of the working group and its mandate. This group will meet once or twice before the PES Congress and put forward a report to the Congress.

## **Coordination with partners:**

### Socialist Group

The Socialist Group will consider different elements of the energy debate and produce a report in July/September. This report should feed into the work of the PES Working Group and the synergies between the Group's report and the PES report should be exploited.

### Trade Unions and NGOs

The Working Group will consult ETUC and key NGOs in preparation for its report. It should also consider direct contacts with the civil society representatives on the Commission's High Level Group (e.g. John Monks).



## Background information on energy policy

### Timetable for Energy developments (2006)

<u>Date</u>	<u>Key meetings/dates</u>
8 March	Commission Green Paper (GP)
14 March	Energy ministers first discuss GP
16 March	G8 energy ministers
23 & 24 March	Spring Summit – European leaders discuss GP
2 June	Commission's High Level Group on Energy, Environment & Competitiveness
15 & 16 June	European Summit
15-17 July	G8 Summit
End 2006	Commission White Paper
March 2007	Spring Summit adopts common energy strategy

### EU level developments

The European Commission launched its Green Paper (consultation document) on a common energy policy on 8 March. The Commission will put forward a White Paper at the end of this year, which will form the basis of a common energy strategy to be agreed by member states at 2007 Spring Summit (under the German Presidency).

Energy Ministers met on 14 March to discuss the Commission Green Paper and to formulate their contribution to this year's Spring Summit at which the Green Paper will be discussed.

The Commission has also set up a High Level Group on Energy, Environment and Competitiveness which will discuss detailed proposals, including renewable energy sources and new targets for post-2010.

### Climate Change

The Kyoto Protocol came into force in February 2005. In December 2005, at the UN meeting in Montreal implementing mechanisms and an action plan was agreed. There was also some discussion of a post-2012 strategy.

### Russian Presidency of G8

Russia has made energy security its number one priority for its Presidency of the G8 and it will top the agenda at the G8 Summit on 15-17 July in St Petersburg. On 16 March, there were discussions between G8 energy ministers (as well as ministers from India, China, Brazil, South Africa and officials from the International Atomic Energy Agency and the World Bank) on security of energy supply.

