EHG(L)(80)12 COPY NO 1

14 APRIL 1980

EUROPEAN COUNCIL, LUXEMBOURG
27/28 APRIL 1980
ENERGY ISSUES
Brief by the Department of Energy

The following are attached:

Part A Venice Economic Summit and Other International Questions.

Part B Commission Proposals on Common Energy Policy

PART A VENICE ECONOMIC SUMMIT AND OTHER INTERNATIONAL ENERGY QUESTIONS

OBJECTIVE

1. If the subject is raised, to stress the importance we attach to moving away from short-term targets towards measures to ensure longer term stability and reasonable prices.

POINTS TO MAKE

2. Venice Economic Summit

We do not want Summit to concentrate on short-term energy questions (eg, setting oil import targets for 1981). Work on these matters is already in hand in IEA and the Community, and any further problems should be remitted to the Energy Council.

3. Venice is instead an opportunity to look at medium and long-term energy problems, including the public acceptability of nuclear power and coal, their relationship to other issues (eg, economic growth). May also be useful to discuss relations with the oil producers, and the energy problems of

/the

the developing world. We support German ideas for closer EC/Gulf Co-operation.

4. Welcome progress so far on defining Community position for the Global Negotiations in the UN next year. The possibility of working towards an understanding about price stability, either direct with OPEC, or within the Global Negotiations, must be kept in mind as a long-term objective as the negotiations develop.

BACKGROUND

5. The Western Economic Summit in Venice (June) is to be preceded by the next European Council (12 June, also at Venice), an IEA Ministerial Meeting (probably 21/22 May) and a meeting of the EC Energy Council (probably 13 May). Summit preparatory work so far has shown that the French, German and Italian approach is similar to our own (paragraph 3 above), but that the US are likely to want Venice to agree on new oil import targets for reductions in oil consumption by sector. They have also put forward ideas for a new body, to be affiliated to the World Bank, to finance energy developments in LDC's (which among other things has difficult financial implications for us); and may want from Venice new and probably expensive commitments to support the commercialisation of new energy technologies, a subject which is under consideration in the International Energy Technology Group set up after the Tokyo Summit. The Germans may want a reference in the European Council communiqué to the need to prepare the energy dossier for Venice in the Community, including discussion at the Venice European Council. This is unlikely to cause us problems, though we do not want energy to dominate discussion at the Venice Summit.

6. The Community is committed (by Strasbourg European Council) to maintain net oil imports between 1980 and 1985 at an annual level not higher than in 1978 (472 m tonnes). We have so far successfully resisted US pressure in IEA for a reduction of 1980 oil import ceilings. National targets for 1981 may eventually have to be agreed, but this should be

/deferred

deferred until later this year and they should take the form of yardsticks for measuring progress - not ceilings.

7. Preparatory works for the Global Negotiations on major North/South issues (including energy) in the UN, probably in 1981 is under way. The proposal for an EC-Gulf energy dialogue is stalled, but the Community have suggested an alternative approach based on a series of wider-ranging economic cooperation agreements, in which provision could be made for talks about energy. However, a majority of Gulf States have reservations on this. President Giscard has recently visited the Gulf, and spoken of a possible EC/Gulf/North Africa energy meeting.

PART B COMMISSION PROPOSALS ON COMMON ENERGY POLICY

OBJECTIVE

1. To avoid this question of longer-term Community energy co-operation, the practical scope for which must be considered separately on its merits, becoming entangled in Budget negotiations.

2. To keep fairly low profile, avoiding both commitment and premature criticism.

3. To note Commission ideas, welcoming some aspects, and to agree to further study.

POINTS TO MAKE

4. Commission paper is interesting and helpful contribution to our thinking how to carry forward the resolve we expressed in the Dublin Communique to develop a more effective energy policy. It highlights important questions, ie, whether energy price and tax harmonisation is desirable and feasible, and the right balance between national financing, whether private or public, and Community financing for the large volume of investment needed in energy.

5. But it also shows welcome recognition that these ideas are complex and need careful assessment.

6. Harmonisation of pricing principles to reflect the economic costs of supply is a desirable objective. We in the UK are determined that price levels within the public sphere should not be constrained at artificially low levels. Harmonising actual price levels, however, which should properly reflect long-term costs of supply varying between countries and between forms of energy, could introduce distortions of its own as Commission recognise.

7. Harmonisation of tax structures may be an approach worth examining further; though energy tax harmonisation in general would raise complex questions of fiscal, social and general economic, as well as energy policy.

8. The Commission have not developed in detail their ideas for a Community expenditure programme in energy. Any practical

/proposals

proposals for long-term Community energy co-operation, designed to reduce oil dependence, would need to be examined on their merits, to ensure in particular that they were economically sound and in the Community's interests. We should expect them to reflect, for example, the contribution to reducing the Community's import dependence made by our continuing major investment efforts in energy.

9. Note advantages Commission has suggested for combination of oil import levy and accompanying production tax. But welcome Commission's realistic conclusion that until we know more about financial requirements "it would be premature to draw any conclusions about methods of financing".

10. Overall these ideas clearly need extensive study before European Council could endorse particular components of the initiative. I hope the Commission will consider further and put proposals to the Energy Council to examine.

11. (If raised) Recent US move to introduce $4.62 per barrel oil import tax is welcome as reducing US oil demand. But it is essentially a temporary measure designed to increase by 10 cents per gallon US petrol prices to about $1.30, which is still no more than half European levels. It is still early days to judge OPEC reactions, but their apparent acceptance of the move should be seen in the light of its character as, effectively, a domestic gasoline tax.

12. (Only if necessary) Commission ideas on oil import levy/consumption tax/fiscal harmonisation have no bearing on our immediate budget problem. In the longer term we cannot be expected to agree to new proposals on energy policy if they are likely to exacerbate or reproduce the unsatisfactory budget position which must be rectified.

BACKGROUND

13. The Commission paper proposes a major new Community energy initiative to reduce oil dependence and develop other energy sources. It suggests a combination of:

/(a) harmonising

(a) harmonising energy (particularly oil products) prices and taxation;

(b) Community programme to support investment in energy saving oil substitution, and developments of alternative energy sources, financed by

(c) new Community energy taxation, possible combining an oil import levy with an equivalent oil production tax.

Whilst not committing itself to specific proposals, the Commission concludes that it will "later be making proposals in the sense indicated in this paper" and "invites Council:

(i) to support the idea of a new Community initiative as part of a Community strategy for energy; and

(ii) to take note of the approach towards it suggested in this paper".

14. These questions are extremely complex. There has been virtually no preliminary examination by Council institutions of the Commission's ideas, which may not necessarily be the most practical approach to Community energy co-operation in the longer-term. We cannot say from our own preliminary analysis that any mix of proposals would be financially advantageous and acceptable to the UK in terms of energy, fiscal, industrial and social policy. It would accordingly be unwise to imply any commitment in principle. We expect others to have reservations and it would be best to let them lead criticism if possible. We should prefer the Council simply to take note and request Commission to consider further the possible development of Community energy policy. But we can if necessary go along with the conclusions as requested by the Commission in paragraph 13(i) and (ii) above, if the Presidency and other Member States wish.

15. Ministers had a first look at earlier indications of Commission thinking at OD(E) 4th Meeting on 14 February. They considered that no policy decisions could be taken until proposals were available and had been evaluated. This is still the case. Officials' provisional assessments of the Commission's present ideas are given below.

/Price

Price and Tax Harmonisation

16. Though proposing harmonisation of energy prices and taxes to reduce alleged distortions and give the Community an instrument for macro-economic management (in paragraph 13) the Commission paper notes that harmonisation "would have wide consequences" and "might eventually create some distortions of its own" and "might require compensatory reductions in other forms of taxation" (paragraph 14).

17. On prices, we agree with harmonising principles - but not with harmonising actual price levels: these should reflect differing long-term costs of supply, eg, differing fuels for electricity generation and distribution systems can properly require different prices in different countries.

18. On taxes, all Member States impose excise duties and VAT on some hydrocarbon oil products and, excepting the UK and Ireland, charge VAT on other forms of energy. There is no harmonisation of tax rates. The UK has considered hydrocarbon oils taxation to be an important fiscal instrument because of its impact on wider aspects of the economy, eg, general price and demand levels: its value as such would be lessened by any loss of direct control and there would be other important implications, eg, for the balance between direct and indirect taxation, industrial competitiveness.

Community Energy Expenditure Programme

19. The Commission note (in paragraph 16) that Member States plan energy spending over this decade of 400 billion ECU (about £240 billion) but acknowledge "it is not now possible to estimate reliably the total financial requirements" (paragraph 20).

20. Allocation of new funds would be critical for the UK. Commission thinking favours biasing expenditure towards those Member States "most dependent on oil" which could disadvantage the UK (where oil was only 45% of total energy consumption in 1978, compared with 51%-85% for other Member States). We would probably not wish to advocate Community funding for North Sea

/oil

oil and gas (since that would displace largely private finance by public expenditure and reinforce pressure for Community control). If the scheme did start to run we would therefore need to advocate national quotas by some more favourable "key", eg, population on where we are 21.5% of the total. Our overall objective would be to negotiate a satisfactory financial outcome for the UK consistent with our desire to reduce UK public expenditure. If this was achieved it could in the longer-term, make a contribution to our aim of restructuring EC Budget spending.

New Community funding - Oil Import Levy/Consumption Tax

21. Whilst noting that "until we have a clearer idea of the amount required it would be premature to draw any conclusions about methods of financing," the Commission appear to prefer a combination of (a) oil import levy and (b) Community tax on oil production.

22. The UK could expect to make a smaller contribution to EC revenue under an import levy than a consumption tax until into the next century. In the mid 1980's our share of oil imports will be 8% and of oil consumption 17% of EC total. (Figures for total energy are 10% and 21%). Our VAT contribution will be 17/18%. If a long-term financial mechanism is not achieved, a levy could have attractions as a means of increasing the Community's own resources if and when we considered that desirable. An oil import levy (unlike a consumption tax) could also give the UK a non-Budget resource gain from higher UKCS prices on sales within the Community, provided it were agreed that any import levy should not be chargeable on UKCS oil, though there could be legal implications for aspects of our North Sea arrangements and UKCS hydrocarbon production.

Oil Production Tax

23. A Community oil production tax at a rate equivalent to the levy, would be essential to enable the levy to be imposed on oil from countries with which the Community has preferential agreements. It would only be a further source of UK revenue if additional to our three existing oil production taxes (PRT, royalty, corporation tax), and if the proceeds were retained

/by

by the UK and were not to become a Community own resource. We should have to reject any argument that any UK non-Budgetary resource gain should either help solve our Community Budget problem or justify our receiving a lower proportion of Community energy expenditure.

Other Considerations

24. Community industry's (especially oil users, chemicals and textiles) international competitiveness could be damaged by both an import levy and consumption taxes - the new US oil import fee will not apply to industrial products (see paragraph 25 below). Likely international reactions, particularly from OPEC, would need very careful consideration: the hawks might argue that consumers could afford to pay more for oil. We should guard, in negotiations, against any increased Community pressures on UK energy policy. The Commission have seemed provisionally and informally responsive to the view that Member States could control selection and implementation of expenditure programmes.

US Anti-Inflation Package: Energy

25. The major revenue raising feature of President Carter's recent anti-inflation package was a temporary oil import fee of $4.62 per barrel on imported crude oil designed to raise petrol prices by 10 cents per gallon to $1.30 per gallon (still only about half European levels). Industrial oils (diesel, fuel oil, feedstock) will be unaffected by the import fee. Congress will be asked to replace the import fee by a new motor fuel tax (including diesel) of 14 cents indexed quarterly. Gasoline accounts fo 40% of US oil demand. The US hope that the planned action to switch to a gasoline tax will make the import fee acceptable to OPEC. OPEC appears to have accepted it on this basis, but some OPEC Governments have warned that increased taxes on oil imports or consumption could be confrontational and reinforce pressures to raise oil prices.

Department of Energy
14 April 1980

CONFIDENTIAL

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 130 final

Brussels, 20th March 1980

ENERGY POLICY

(Communication from the Commission to the European Council, 31st March - 1st April 1980)

COM(80) 130 final

CONFIDENTIAL

ENERGY POLICY

Introduction

The underlying problem of energy supply in our society has been stated many times in the last seven years; but our failure so far to cope with it makes it worth stating again.

2. The economies of the industrial world were built on the availability of cheap energy derived principally from coal in the 19th century, and from gas and above all oil in the 20th. Coal reserves are still substantial. But oil is already a scarce resource, as the successive rises in its price since 1973 well demonstrate. It will become scarcer still over the next thirty years and beyond. But even if supply will soon flatten out and decline, the momentum of demand, unless corrected, will continue to increase. If our economies are to continue in their present form, let alone resume their growth, they will require major reorganization whereby dependence on oil is drastically reduced, other sources of energy are developed to take an increasing place, and the price of energy in its various forms finds its level between supply and demand.

3. The Member States of the European Community are particularly vulnerable. At present oil provides 55% of their energy requirements: 85% of oil consumed comes from abroad; and 90% of imported oil comes from the OPEC countries, which control 70% of world reserves and 50% of production outside the Soviet Union and Eastern Europe. Since 1973 the OPEC countries have learnt that they can cut production while maintaining or increasing revenues. In addition interruption of supply for political or other reasons is a continuous hazard. Obviously this has a major and direct effect on the ability of governments to promote growth , control inflation, and reduce unemployment. The energy price increases of the last six months will involve an extra payment of around US \$ 50 billion in foreign exchange by the Community in 1980.

/4. The

4. The impending crisis passed virtually unobserved until 1973. Since then the policies followed by the Member States individually and by the Community as a whole have been fragmentary in effect, reflecting the different situation of each country within the Community. The price of energy still varies widely and sometimes inexplicably both as between fuels and between Member States. In spite of large nominal price increases since 1973, the real price to the consumer has not kept up, and in some cases has actually fallen.

5. The case for establishing common Community policies is strong. When the Coal and Steel Community, and later the European Economic Community and Euratom, were set up, the need for an energy policy as such was not foreseen. At that time coal occupied a more important place than it now does, and nuclear energy seemed the main energy source of the future. Thus although powers in respect of coal and nuclear energy were attributed to the Community, no specific power was attributed in respect of energy as a whole. Nevertheless achievement of the political, economic and social objectives of the Community as defined in the Treaties are increasingly conditioned by the supply of energy, and there could scarcely be a true common market without common policies in the field of energy. The Commission has prepared a more detailed note for the Council about the general economic implications.

6. Since 1973 there has been some advance in this direction. In 1978 consumption was about the same as in 1973 in spite of economic growth of 10.7% in real terms. The degree of energy saving is hard to assess with precision, but the measures taken within the Community, including price increases, may well have reduced energy consumption by between 7% and 10% between 1974 and 1979. For oil alone consumption was 50 million tons less in 1978 than in 1973. Community energy dependence on imported oil fell from 60% in 1973 to 47% in 1979, and the proportion of energy requirements met by oil fell during the same period from 60% to 55%.

/7. So

7. So far co-ordinated action at the level of the Community has taken five main forms. First efforts have been made to set Community targets for energy saving, reduction of dependence on oil, and development of alternative sources. Only some of these are likely to be met. For example only about 70 gigawatts of nuclear capacity will be installed by 1985 compared with the objective of 160 gigawatts agreed in 1974, and both consumption and production of coal have actually fallen. The target for the reduction of oil consumption in 1979 was not met, and there may be difficulty in meeting the oil import target set for 1985. Next the Community has helped in the financing of new coal and nuclear generating plant and in energy projects generally. It has promoted harmonisation of standards throughout the Community to help in energy saving. It has set up crisis management mechanisms. It has extended its research and development programmes into alternative sources, and given financial aid to demonstration schemes for energy saving techniques and exploitation of new sources. Finally it has taken steps to improve its knowledge of the oil market with a view to improving stability, above all in spot transactions.

8. But the gap between what has been done and what needs to be done to establish an effective Community energy policy remains wide. Even if Member States were to fulfil their existing energy programmes for the next 10 years and even if the rate of economic growth were as low as we fear it may be, additional imports of oil of between 50 million and 100 million tons might still be necessary to satisfy increasing demands by 1990.

9. 1980 may offer the Community a breathing space in which to look in realistic fashion at the problems of energy supply and to agree on policies to deal with them. These problems are only in part financial. They cover the general conditions under which energy resources are developed and exploited, including varying national standards,

/rules,

rules, and procedures, in particular with regard to the environment. This has special application to nuclear energy. Progress has recently been made following acceptance of the Commission's proposals on reprocessing of nuclear materials, nuclear waste disposal, and fast breeder technology, but more work is necessary to establish consistent environmental and security standards for nuclear power stations within the Community.

10. There are two broad areas in which new Commission action might now be envisaged: energy price and tax policy; and increased energy investment.

Price and Tax Policy

11. In spite of the increase in crude oil prices in 1973 and since, the price of oil products to the consumer does not fully reflect the Community's paramount need to become less dependent on external supplies of oil and thus less vulnerable to any future shortfall of supplies or greatly increased prices. There is a certain price to be paid for reduced dependence on oil imports and the resulting longer-term stability of our economies. At present the different fiscal policies followed by member governments scarcely promote the greater independence the Community needs. Indeed part of recent oil price increases have in effect been carried on national budgets. This may have helped to reduce inflation in the short term, but it has had a number of unhappy consequences, including reduction of the incentive to save energy and develop new sources, and negation of efforts to reduce oil consumption. More recently member governments have agreed on the need to pass on price increases directly to the consumer, and most have registered some success in doing so. This is an essential requirement for a Community energy policy.

12. The different ways in which prices are fixed in each Member State, the different systems of taxation, the

/different

different weighting given to energy in such devices as cost-of-living indices, and the different relationship between the various forms of energy used have created trade distortions between Member States and distortions of consumption within them. Progressive harmonisation of energy prices and taxes within the Community is therefore essential. This will be a long term, at times cumbersome but indispensable process. It should greatly contribute to our general objectives of economic convergence within the Community. It would also make it easier to measure and control the effects of energy prices on inflation and unemployment, and to pursue consistent policies to reduce dependence on imported oil. Instead of being vulnerable to every wind that may blow from outside, and reacting in dispersed and inconsistent fashion, the Community would be equipped with instruments of macro-economic management which would help it to cope with challenges from inside and out.

13. Progressive harmonisation of energy prices and taxes would have wide consequences. Indeed given the different economic circumstances and energy requirements of Member States, harmonisation might eventually create some distortions of its own. It would involve a shift in the structure of revenue and expenditure in each Member State and within the Community, and would thus have important redistributive effects. If it were not to aggravate inflation and depress economic activity, it might require compensatory reductions in other forms of taxation. The Commission has prepared a separate note for the Council on the implications of energy price and tax harmonisation in the Community.

Energy Investment

14. Among Member States investment in the various forms of energy, as a proportion of total capital investment, differs greatly according to circumstances. During the

/period

period 1980 to 1990 Member States plan to spend in total over 400 billion ECU on energy or up to 2% of Community GDP. On present planning the contribution to this investment from Community funds is likely to be small. Although about 40% of all Community financing goes into the energy sector (through the EIB, Euratom, ECSC etc), this amounts to only about 4% of all energy finance. Furthermore only 2 to 3% of the Community budget goes into energy investment.

15. Although there may at present be relatively little difficulty in raising funds for some forms of energy investment in the short term, we believe that the total volume now envisaged is markedly insufficient in the long term, and is not geared to meet the specific needs of the future. If the present rate of energy saving falls short, and if the switch to energy sources other than oil is further delayed, then the Community could find itself with a substantial energy gap which it would be tempted to fill at rising cost by increasing imports of oil.

16. The bulk of the increased investment required must come from national sources. But because the ability of Member States to undertake such investment varies markedly in terms of financial, technical and other resources, and the different character of their national programmes, there is an obvious danger that economic and social differences within the Community could thereby accentuated, our efforts to promote convergence frustrated, and the objectives of the Treaties made still further from attainment. These difficulties could be met through an expanded Community programme of investment support designed to underpin a Community energy policy inside and outside the Community.

17. Its purposes would be subordinate to the general requirement to promote energy saving, the substitution of oil by energy from such sources as coal and above all nuclear power (whose exploitation is vital to meet our future

/needs),

needs), and the development of synthetic fuels and other renewable resources. Its particular role would be to help remove the obstacles which now prevent investments from being undertaken (for example insufficient funds or high technology risk) or which delay investments (for example doubts about competitiveness with oil in the short term, high initial cost, and long payback times). In so doing it should serve to increase investment in proven technologies and encourage it in more advanced technologies. To allow maximum scope for the exercise of national judgment and control of projects, the programme would work in such a fashion as to fit in with and supplement national programmes with different degrees of Community participation in specific projects. All Member States should qualify to benefit from it, especially those most dependent on oil as an energy source.

18. It is not now possible to estimate reliably the total financial requirements. The additional investment required in the 1980s to hold oil imports down to their present level could be in the order of 50 to 100 billion ECUs, or between one quarter and a half per cent of Community GDP. Most of this extra expenditure would need to be committed early in the 1980s to yield results by 1990, and a continuing effort would be needed thereafter to ensure a sufficient growth of energy production in the following decade.

19. In general terms the energy industry is capable of financing itself. But with the growing importance of advanced technology and the need for increased research and development, as well as the long lead times and long payback periods associated with energy saving techniques and new forms of energy, there is a substantial need for additional financial support to underwrite the financial and technical risks involved.

20. Such support could take a number of forms. As it would be primarily designed to supplement national programmes, a mixture of grants for projects and subsidies for loans

/would

would be appropriate. Some of the support might be provided by lending on the basis of Community loans (guaranteed by the Community budget). But the very nature of the action envisaged would require direct and significant support from the Community budget itself.

Financing

21. The sums required for a major Community effort are too large to come out of the existing Community budget. Hence new means of Community financing would be needed. Its main purposes would be:

- to supplement the harmonisation of energy prices and taxes in the Community;
- to supply more funds for investment in the Community in saving energy, exploiting existing resources and developing new sources;
- to help in promoting the switch from oil to other sources of energy, and to reduce the dependence of the Community on supplies from overseas; and
- to provide underpinning for a Community energy policy, thus completing and bringing up to date the original provisions and objectives of the Treaties.

22. Until we have a clearer idea of the amount required, it would be premature to draw any conclusions about methods of financing. There are a number of possibilities, from raising Community loans for the purpose, to increasing revenue under the Community's existing system of own resources, to introducing a specific Community energy tax designed to contribute to the objectives of energy policy as a whole. If the choice were to be some form of Community energy tax, it would be desirable

- to adopt a system which is administatively simple and easy to operate, raises least political and constitutional difficulties, and can be rapidly introduced;

- to minimise complications with third countries, in particular oil suppliers and those with whom we have preferential agreements;
- to ensure that the tax was an own resource of the Community with its yield going directly into the Community budget.

23. The main possibilities - not mutually exclusive - for taxation would be to impose a tax on the consumption of energy, either in all its forms or on oil or specific oil products; a tax on production of energy in general or oil in particular; a duty or levy on imports either of energy in general or of oil or specific oil products. The Commission is sending the Council a detailed examination of possible fiscal instruments for raising Community revenue from energy. Each form of taxation has its advantages and disadvantages. Various combinations of taxes might also be considered.

24. More generally the impact on the industrial competitivity of the Community of any method of financing would naturally depend on its size and character. Side effects would be limited and action more effective if a Community initiative were carried out on an agreed international basis. It would therefore be essential to consult our major industrial and trading partners with a view to their taking comparable action. The Community and its Members will anyway have to define their attitudes to the decision of the United States Government to impose a petrol conservation charge on imported oil and to work for an internationally agreed demand restraint programme. It should be made clear that a Community initiative would be designed to help further the policies already publicly advocated by the OPEC countries to reduce consumption of oil and extend the life of the world's oil reserves; and also to help poor non-oil-producing countries in developing the energy resources of the third world.

/Conclusions

Conclusions

25. In this paper we have sought to establish the reasons, need and basis for a new Community initiative as part of a Community strategy for energy. At present the anomalies and differences which have arisen between Member States in their pricing and taxation of energy have had seriously distorting effects, and hindered efforts to reduce dependence on imported oil and achieve greater independence. Energy accounts for so important an element in our economies that there could scarcely be a true common market consistent with the objectives of the Treaties without common policies in the field of energy. Thus we propose progressive harmonisation of energy prices and taxes to reduce these distortions and give the Community the instruments of macro-economic management it needs.

26. We believe that planned investment in energy for the next decade and beyond falls short of our requirements. In our judgment we need a Community programme to support the efforts of Member States to promote energy saving, to substitute oil by energy from other sources and reduce our dependence on foreign suppliers, and to develop other renewable sources. Such a programme would need financing. In our paper we have considered some of the possibilities for doing so. We shall later be making proposals in the sense indicated in this paper. In the meantime the European Council is invited

- to support the idea of a new Community initiative as part of a Community strategy for energy; and
- to take note of the approach towards it suggested in this paper.