

**Short Synthesis of the view of the CRPM on The World of Energy in Europe.
Suggestions and Responses to the green book and its questions.**

Good morning, Honourable Commissioner and Ladies and Gentlemen.

My name is Enrique Díaz Moreno, and I am currently the Director General of Industry and Commerce for The Regional Government of Navarra (a region in the north of Spain). But today, I am here to represent The CRPM by express appointment of its General Secretary.

The CRPM comprises 154 European Regions from the Peripheries of Europe, from 26 countries and it represents a total of 170 million inhabitants. It decided to initiate a line of work in the field of energy – and more particularly in the field of Renewable Energy – in January, 2005.

Since then, a Working Team has been created which I have the honour to preside over. So far, it has organized three seminars namely, in Cornwall and The Western Isles (both in The UK), and Leeuwarden, in The Province of Fryslân, Pays-Bas. Next week there will be another workshop held in Pamplona (in The Region of Navarra – in the North of Spain) under the title “Energy for The Peripheries”. This will open debates to find lines of action in defence of the interests of its associates.

Since the Energy Work Team learned about The Green Book launched by The EU for the discussion and evaluation of its proposals, its content has been at the heart of the above-mentioned workshops and of the management meetings of CRPM. These have lead to the creation of a paper which outlines the general position of the CRPM in the face of the proposals of the Commission and it presents some suggestions for consideration when the definitive conclusions are going to be drawn up.

Within this framework I would like to express my thanks in the name of CRPM and its associated regions, to the Commission and in particular to Commissioner Pielbags, for the invitation sent to us to attend this important meeting.

I shall try to be synthetic in presenting our comments and suggestions, but first of all, please allow me to explain the General Overview within which we are working:

1. **In general terms, we feel that The Traditional Energy Model is drawing to a close.** The sources of primary energy as well as the transformation centres and its present existing transport and distribution networks, corresponded to a privileged situation for The Western World, where the price of energy was not a problem and the environmental consequences were of no importance. The great economic objective of supplying energy to the large centres of consumption through the means of primary energy, imported at low costs, conditioned the design of the transformation networks. Nowadays, these are becoming inefficient and incapable of harvesting the indigenous renewable energy wherever it can be produced and satisfy the needs of isolated populations.
2. **The environmental consequences, of this kind of energy model are recognized and accepted in a general recognition.** The appearance of Economies in need of energy for their growth and, in addition, the growing trend of high oil prices and its prominent volatility, leads us to think, as indeed many

experts are suggesting, on the need for a New Energy Model which would be based on totally new premises.

3. **This New Energy Model should be constructed on:**

- a. The basic premise that energy is a scarce commodity and that Saving and Energy Efficiency must be key questions to consider.
- b. That Renewable Energy should take on a leading role because the costs arising from the use of energy should be attributed to its sources.
- c. That the electricity network should be created with criteria of viability, but bearing in mind that it should serve to yield renewable energy where Nature can provide it in a sustainable way and to make it reach all regions in an equal way.

From the CRPM, and within the framework of the above-mentioned thoughts, we would like to express our appreciation to the Commission and its authors for the compilation of The Green Book and its title. “Consume Better with Less” condenses the outlook of the New Energy Model which, not only Europe but the whole world should aim at, because it is a global question.

I would now like to go on to develop the priorities that should be taken into account in any case for the design and implementation of European Energy Strategy:

Priority 1. – The CRPM feel that it is **absolutely necessary to redesign the Transport and Distribution Energy Network** under the premise that this Network would guarantee the advantageous use of renewable sources of energy on our continent, and optimize the distribution control of these means and permit the development of all the regions within Europe on equal terms.

Priority 2. – Before proceeding with the design of the Network, a necessary first step must be to evaluate the natural resources of the indigenous sources of energy and especially that of renewable ones and that are available within the European Regions. Equally, it is vital to consider the supply needs in terms of a unified Europe and development forecasts within the objectives of Lisbon, Barcelona...etc. On this point it seems vitally important to me, to bring to the attention of the Commission the contradictory phenomenon where fiercely defended protectionist policies within a local area can impede the finding of solutions to global problems. The problem becomes even more serious when the protectionist interests are coming from outside and go against the aspirations of progress felt by those within the Community. An aseptic and neutral evaluation of the energy resources and the impact on the environment from a global knowledge of the problem and a close collaboration with the regional administrations should be the base in order to give priority to the necessary investments and to assign the necessary resources.

Priority 3. – The CRPM believes that it has the capacity to exert some influence on its associates and to be able to contribute by way of diversification to an improvement in the MIX or the European Energy Bouquet. This would help to reduce our dependence on exterior energy, avoid gas emissions and the effects of global warming. But this influence should be accompanied by an extensive general study of the Efficiency of the Present-day Existing Transformation Centres and the viability of changing them for others that would allow less energy loss and less contamination. The CRPM would make itself available to the Commission to help in making an inventory of Generator Centres and Networks among its associates and in evaluating their efficiency.

Priority 4. - Schools and Universities should include material related to climate change and the responsible use of energy in their basic curriculum. Producers and services should inform the consumer about the environmental impact of energy production. Vehicles and machinery should clearly state the combustible discharges and emission levels in each and every case...

In these type of actions the CRPM feels that the role of the Regions is nuclear and that in no other area does the precept make so much sense: Think Globally, and act locally” as in the fight against Climate Change. However, for the European Regions to become implicated to the necessary extent, **they should be able to count on resources measured to the task.** We also understand that the contribution and effort made by the Regions in the fight against Climate Change should be measured, published and given awards for the purpose of creating a stimulating vigorous rivalry in order to reach the global objective.

Along these lines we feel it would be of great interest that **The Regions with the lowest levels of contamination be merited in the Market of Emission Rights which correspond to them as against those Regions which have the worst contamination,** a question which, for the moment, is generally decided at State level.

Priority 5. –The New Energy Model which is proposed, opens up great opportunities for development. **The Regions of the CRPM wish to participate from the beginning in all the projects of Investigation, Development and Innovation which are foreseeable in this process.** The probability of success in the transformation of the Energy Model will increase notably if the peripheral Regions participate on equal terms of the enormous funds that will be required and if the need to investigate about the regional sources of energy, efficiency and energy saving is transformed into an opportunity for economic development for them.

Priority 6.- The CRPM would like to call the attention of the European Commission to the negative impact, proportionally much higher, that the increase in energy prices means for the more isolated regions. This is especially so in the case of the islands and other peripheral areas far from the big production centres and consumption. **It is vital to activate compensations which would allow, at least in economic terms, these regions to reach a more balanced and homogeneous level to European**

convergence. Along these lines, support in investments that would permit connections to the European Network, help to improve self-consumption by way of indigenous renewable sources, or compensations for the products and services depending on the impact of the price of energy, should also be considered.

Priority 7. – The CRPM feels that energy should be the essential resource on which to build a solidarity Europe and as such we are in favour of moving towards this new energy model which plans an electric network which can find inspiration in the global computer network, which would allow the flow of energy in an open and free way between States and Regions.

The equality of opportunities for the European Regions and for its citizens would be a consequence of this solidarity contribution of the electrical production to the Network and its responsible use. Those awarded would be the most efficient regions in this role-play and the prizes would be at the cost of those who are not prepared to do their duties in this field. Only from these principles and from its own experience, can Europe take on; not only a technological leadership, but it could also assume a moral leadership in front of the rest of the world.

I apologize for not being more concrete by citing examples and endeavours, but the lack of time available has forced me to put all the emphasis on the strategic aspects of The Green Book as this seems the most important of all and in which the Regions should play a relevant role.

Thank you all for your kind attention.