

Noel Dempsey TD
Minister for Communications, Marine and Natural Resources
29-31 Adelaide Road
Dublin 2

1 March 2006

Dear Minister Dempsey,

Re: New European Energy Policy

March Energy Council discussion of Green Paper and contribution to Spring European Council

EU leaders have agreed on the urgent need for a “*New European Energy Policy*” to secure Europe’s growing demand for energy in light of rising oil prices. This topic has been widely discussed in recent months and will be on the agenda at the Spring Council on March 23rd and 24th. Friends of the Earth welcomes any moves to shift Europe’s energy policies towards sustainability. We have concerns, however, that the current discussion is focusing on the wrong issues.

Fight climate change through a sustainable energy policy: The debate on a *New European Energy Policy* must be seen in light of global climate change. Any new energy strategy must not only contribute to achieving Europe’s immediate obligations under the first phase of the Kyoto Protocol but also to the ongoing deeper reductions required to prevent dangerous climate change. The EU Heads of State have made limiting global temperature increase to 2°C the central objective of EU climate and energy policy. The latest science suggests that in order to achieve this with reasonable certainty, greenhouse gas emissions must be reduced by at least 30% by 2020 and 80% by 2050.

Make energy efficiency and renewable energy the core elements of the European energy strategy: The Commission states that Europe could save at least 20% of its present energy consumption by 2020, corresponding to savings of up to €60 billion per year and the creation of as many as one million new jobs¹. Sustainable Energy Ireland estimates that better household energy efficiency alone could save Ireland as much as €576 million per year². These are strong arguments in favour of progressive energy efficiency measures. We believe, however, that the Commission’s targets are not ambitious enough. Firstly, they are too low and, secondly, they are not mandatory. German experience shows that 50% of energy consumption can be reduced through the insulation of buildings alone. Measures that can help to achieve higher energy efficiency include strengthening the buildings directive and ensuring that the national energy efficiency plans to be prepared under the energy services directive are ambitious and contain binding targets

A European energy policy should also include mandatory long-term targets for the percentage share of renewables. Friends of the Earth suggests a target of 25% of energy consumption being generated from renewable energy sources by 2020. As well as this overall target, sectoral targets are needed for electricity, heat and transport. The EU Renewable Energy Directive is

¹ Green Book on energy efficiency: “Doing more with less.” June 2005. European Commission, DG TREN. http://europa.eu.int/comm/energy/efficiency/index_en.htm

²http://www.sei.ie/getFile.asp?FC_ID=883&docID=109Efficient

vital to achieve these objectives. At a time when European governments are in the process of liberalising their electricity markets, renewable energy should be given equitable access to grids as well as the means to compete financially with other energy sources. This will ensure fair market conditions and equal subsidies.

The revival of nuclear energy would be environmentally and financially insane: Any reasonable cost-benefit analysis concludes that nuclear energy has no future. Not only is there an unacceptable risk of a serious nuclear accident, but the problem of long-term waste storage and treatment remains unresolved. Furthermore, the danger of proliferation of nuclear material remains a serious security hazard. While the actual electricity generation may have low carbon emissions the nuclear power life-cycle (fuel extraction to waste storage) most certainly does not. Finally, nuclear power is unable to compete on any energy market unless it is hugely subsidised by government. These subsidies, however, do not include the hidden costs of waste disposal, the decommissioning of power stations and insurance costs for accidents. These hidden costs have never been adequately accounted for. The Irish government has long recognised that nuclear has no place in a forward-looking energy policy. We urge the government now to push this analysis in the European debate and oppose any move in the new EU energy policy to portray nuclear energy as part of the solution.

Phase out subsidies for dirty energy: Too often energy efficiency measures and renewable energies are seen as costly alternatives to traditional energy. Opponents of renewable energies argue that the initial investments to be made in this sector are too costly. These arguments, however, ignore the direct and indirect subsidies allocated to nuclear and fossil energy. The EEA estimates that energy subsidies in the EU-15 in 2003 for solid fuels, oil and gas amounted to more than €3.9 billion, while renewable energy received only €5.3 billion. Furthermore, the external costs of energy production from traditional sources are usually not taken into account. Such external costs include air pollution, health costs, and the costs of nuclear accidents beyond what is covered by insurers. The EEA estimated these external costs at €40-70 billion in 2003³. This estimation excluded the rising costs of the effects of climate change.

Any sensible European energy policy must address transport: Today, one third of the estimated energy consumption in the EU is due to transport. In Ireland and throughout Europe, the number of cars and trucks congesting the roads and causing air pollution and health problems is rising. And still the EU is financing big infrastructure projects, such as the Via Baltica, in the new member states. A fundamental shift in the way we transport goods and people is long overdue. This shift needs to include the promotion of the use of public transport and the establishment of binding standards for the fuel-efficiency of automobiles.

As outlined above, the main elements of the New European Energy Policy should be energy efficiency, renewable energy and sustainable transport. Nuclear power is costly and dangerous and should be excluded. This is emphasized by the recent results of the Eurobarometer polls⁴, which show that only 12% of European citizens support the development of nuclear energy. In stark contrast, 48% of EU citizens favour the development of solar power. We urge you to listen to the citizens of Ireland and Europe in shaping a new energy EU policy that guarantees both security and sustainability.

Yours sincerely,



Oisín Coghlan, Director

³ http://reports.eea.eu.int/technical_report_2004_1/en/Energy_FINAL_web.pdf

⁴ http://europa.eu.int/comm/public_opinion/archives/ebs/ebs_247_en.pdf