

21 March 2003

**PROPOSAL FOR A DIRECTIVE ON THE PROMOTION OF COGENERATION
BASED ON A USEFUL HEAT DEMAND IN THE INTERNAL ENERGY MARKET
(COM(2002) 415 FINAL OF 22 JULY 2002)**

COMMENTS BY UNICE'S ENERGY WORKING GROUP

European industry very generally endorses the use of cogeneration in all cases where the requisite energy situation and economic conditions are given - i.e. simultaneous local demand for heat and electricity for the longest possible period of the year.

The directive proposed by the European Commission and broadly supported by the European Parliament can make a contribution to increased use of cogeneration as compared with separate production of electricity and heat, and thereby make a contribution to reducing the environmental burden.

In order to do justice to the proposed directive's harmonisation objective, the directive should lay down a uniform definition which is based on thermodynamic principles and is the same for all Member States. Different definitions of cogeneration for statistical purposes and aid purposes as currently contained in the Commission's proposal for a directive would fail to achieve this harmonisation objective.

European industry therefore proposes that the proposal for a directive should be based on the so-called PROTERMO concept. This concept provides an exact definition of simultaneous production of heat and electricity in a technical annex. The Protermo definition sums up cogeneration as the result of a highly efficient transformation process. If it were to be used, there would be no need for the Member States' reference values. In addition, it would not be necessary to establish capacity values.

European industry is broadly in favour of a "slim" directive which is essentially limited to setting out uniform Europe-wide criteria for the definition of cogeneration. The directive must not lead to a situation where the encouragement of cogeneration - which should be seen above all as an opportunity for industrial companies to produce energy competitively in-house - is thwarted by complicated and bureaucratic rules.

UNICE also urges that the subsidy mechanisms put in place do not create a burden for corporate users of electricity which are not concerned by cogeneration systems.

We therefore support the EP Rapporteur's (Mr Glante) amendments 56 and 230.

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