

# CONGRESS OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

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## **Resolution 127 (2002)<sup>1</sup> on sustainable development and the liberalisation of the energy market**

The Congress,

Having regard to:

1. The report on sustainable development and the liberalisation of the energy market, presented by Mr Peter Torkler (Germany, L) on behalf of the Committee on Sustainable Development and prepared with the expert assistance of ICLEI European Secretariat;
2. The final declaration of the Conference on the Liberalisation of the Energy Market and Sustainable Regional Development organised by the Foundation for the Economy and Sustainable Development of the Regions of Europe (FEDRE) in Geneva on 18 and 19 June 2001;
3. Earlier texts adopted by the CLRAE on questions relating to energy policy, including:
  - a. Resolution 246 (1993) on combating the greenhouse effect and protecting the ozone layer;
  - b. Recommendation 42 and resolution 64 (1998) on nuclear safety and local/regional democracy;
  - c. Recommendation 57 (1999) on local and regional economic instruments for the environment;

Considering that:

4. Energy policy always has a local and regional impact: energy is produced and consumed locally, and the transfer and distribution of energy also have local consequences;
5. Local and regional authorities are responsible for the health, well-being and productivity of those who live within their boundaries and work within their buildings. Improving living conditions in towns and rural areas often means taking well-planned energy policy measures;
6. Local and regional authorities have a vested interest in energy efficiency because they own or rent considerable building space, and energy bills typically represent between one and two per cent of their total budget. In several member states local and regional bodies also perform functions related to the production, distribution and proper use of energy and to energy conservation;
7. In some countries the ability of local governments to perform such activities is constrained by national policies that favour large-scale, centralised energy solutions and that subsidise carbon-based fuels. Local authorities are also constrained by their obligation to good management of

public funds, in that they must ensure that goods are purchased at the best possible price;

8. European local and regional authorities have the following main common goals in the field of energy management:

- a. to promote a more efficient use of energy;
- b. to encourage cleaner and more efficient forms of energy supply;
- c. to encourage the use of renewable energy sources wherever possible;
- d. to work towards the eradication of fuel poverty;

9. Local and regional authorities have many tools at their disposal to influence local energy use. By increasing energy efficiency and decreasing fossil fuel consumption in their communities, local governments can improve air quality, create jobs, save money, and enhance the quality of life in their communities;

10. Municipal utilities have to find and define a new role under the conditions of the deregulated market. In a liberalised market municipal utilities have less money for climate protection measures available, consequently they will have to concentrate on those which are economically profitable;

11. Local authority public utilities are for the most part small and medium-sized enterprises. Competition has strengthened an awareness that they are in a position to realise the specific opportunities open to them in order to maintain and improve their position in the single market;

Convinced that:

12. Local and regional authorities wish to take their place in the process of opening-up the energy markets, in the certain knowledge that it is at the local level, near to the consumer, that practical action must take place;

Calls on local and regional authorities to:

13. Investigate the generation and use of energy in their area. Create an energy strategy, based on targets for cutting energy demand and increasing the role of cleaner, more efficient and renewable methods for generating/supplying energy;
14. Provide human and material means to design and lead a sustainable energy policy, for example by setting up a local energy management agency. For smaller jurisdictions, which may not have the technical capacity and expertise for integrated energy planning, regional centres could be established to leverage technical, managerial, financial and programme delivery capacity through partnerships;
15. Integrate their energy and environment policy as a fundamental component of their policies for urban/rural development, economic development and employment;
16. Set up systems to monitor all aspects of energy use – within the authority and by households and organisations.

Use this information to provide feedback to people about their use of energy and about progress towards local targets for reduction;

17. Set up a municipal regulatory board for electricity distribution (where appropriate) to strengthen the exertion of influence by local and regional authorities and to provide an additional source of income;

18. Provide a comprehensive energy advice service to help households, businesses and other organisations cut the energy they use in heating, lighting and appliances and use information, marketing and practical support, such as energy surveys and improvement grants, to help householders increase energy efficiency in the home;

19. Actively manage and reduce the use of energy in council buildings. Use training and promotional methods to raise the awareness of council staff and tenants about their role in helping to do this;

20. Use visits, information and marketing to sell the benefits of energy efficiency to local firms. Where possible, provide other forms of support to encourage them to invest in energy efficiency;

21. Ensure that the goal of reducing energy use is fully incorporated into transport strategies for the area;

22. Incorporate the principles of energy efficiency early on when siting and designing new buildings and developments. For example: locate houses near to public transport services and other facilities, orientate houses to maximise solar gain and incorporate efficient heating systems and appliances, and high standards of insulation;

23. Help households experiencing fuel poverty to meet their energy needs affordably by improving standards of energy efficiency at home. Raise awareness of grants available for improvements, and provide advice about cost-effective measures;

24. Consider developing combined heat and power schemes to provide energy efficiently. These may range from the small scale, such as for a local swimming pool, to larger schemes supplying electricity and hot water for an entire housing estate;

25. Use planning and other powers to favour the cleanest, most efficient and, if possible, renewable option. Challenge any proposals which do not meet these criteria;

26. Have at least part of the electricity used by the authority supplied from renewable sources. This has the twin benefits of enhancing the “green image” of the local/regional authority and promoting a sustainable industry locally;

27. Use any influence which the authority may have with the central government, or with energy providers, to lobby for investment in cleaner, more efficient energy generation;

28. Promote small-scale off-grid energy generating schemes, which meet local needs cleanly and efficiently, without the transmission losses associated with supply to the national grid;

29. Investigate the potential for renewable energy schemes in the area by commissioning a full survey. Use this information to develop a renewable energy strategy for the area;

30. Hold a dialogue with the local community to find out people’s views about renewable energy, and to help guide the development of the most appropriate – and well-supported – local schemes;

31. Set up partnerships to help realise the potential for renewable energy use in the area, through pilot projects or full-scale schemes;

32. Raise awareness of the benefits and the local potential for renewable energy. Help those wanting to develop appropriate renewable energy sources, by directing them towards sources of advice and financial assistance;

33. Make use of the new possibilities opened up by the liberalisation of the energy market, such as:

*a.* innovative approaches to self-financing, for example, revolving energy efficiency funds and third party financing (energy service contracting);

*b.* aggregated purchases of advanced energy-saving products and renewable technologies to promote their demand and bring down costs;

*c.* economic measures such as taxes and fees to internalise the full costs of energy consumption.

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1. Debated and adopted by the Standing Committee of the Congress on 21 March 2002 (see Doc. CG (8) 27, draft resolution presented by Mr P. Torkler, rapporteur).