

Comments on the study on the “Drafting of Public Policies regarding Energy up to year 2013”, carried out for the Third Community Support Framework Observatory (QCAIII) (January 2006)

Answering to the request of the QCA III Observatory, CNADS decided to establish a Work Group coordinated by Counselor José Reis that developed the comments below:

1. To discard the chance to develop energetic cultures (biofuels)¹ in Portugal due to the non-existence of competitiveness conditions deserves a stronger argument, especially in light of the idea that it is indispensable and urgent to transpose the EU Directive on this matter, which sets a goal that by 2010, 5.75 per cent of the energy used for transportation shall be biodiesel and bioethanol. The same goes for the proposal regarding the development of an Aeolian cluster to promote the use of national technology, business development and the creation of jobs. Similarly, it is worth referring the urgent and significant investment effort, both in terms of innovation and replacement, that is necessary to shorten the gap between the national per capita primary energy demand and the average in the EU-15 (currently about 65%). This is particularly important if we consider the concurrent need for equity and reduction of the Portuguese GDP energy intensity.

The lack of discussion about transport issues, which account for the greater share of the national energetic balance, does not allow a comprehensive strategic assessment.

2. The support of micro and mini cogeneration does not seem sufficiently balanced vis-à-vis other measures suggested. Also, it would be worth developing the argument that the production of raw materials in Portugal to develop biofuels is not sustainable, namely as regards beetroots, cereals and other cultures. The relative importance that biomass is gaining in Portugal would suggest a more visible approach is taken, namely in what concerns its efficient use and changes to equipment to allow for this source of energy, mainly in the domestic, industrial (such as cogeneration) and services sectors.

3. This reflection should be considered within the scope of the ecologic tax reform process, by replacing the usual occasional and disconnected measures with an integrated system provided with predictability. This system should be gradually implemented and based on clear principles, such as the gradual replacement of income taxation with natural resources, the fiscal non-neutrality (discrimination), social justice and decentralization (local taxation). Priorities regarding environmental monitoring and R&D within the scope of renewable energies should be determined – the “less commercial” energy sources keep being researched and tested - and particular emphasis should be given to the economy of hydrogen that plays a determinant role in the context

¹ The concept of biofuels includes the combustibles from biological source, while the term bio carburant is only applied to the products used in engines.

of energy. A production increasingly based on renewable energy sources, replacing the current reliance on natural gas, goes hand in hand with the main guidelines of research in energetic technologies proposed by the European Commission.

4. The profound changes in the national energy policies necessary to tend toward **sustainability by 2013 require informed changes of behaviour** as well as **rational tariff changes and tax incentives to good practices of energy-efficient use**.

5. There seems to be a contradiction in the report because the section on energy facilities does not assess the distribution and trading facilities of oil and products thereof, examining instead natural gas and electricity facilities, however the Government has recently announced the purpose to build a new refinery in Sines. In addition to its potential economic and social positive consequences, this measure **requires a thorough environmental impact assessment study** in order to harmonize it with the principle of integration of **environmental and sustainable development concerns in the energetic policy**. This aims at not jeopardizing Portugal's commitments regarding the **reduction of CO₂ emissions** within the scope of the Kyoto Protocol.