



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Draft Council conclusions on the Future of Energy Systems in the Energy Union designed to ensure the clean energy transition and the achievement of energy and climate objectives post-2020
- Discussion

Following the discussion at the Energy Working Party on 16 April the Presidency prepared a revised draft of Council conclusions on the 'Future of Energy Systems'. Changes compared to the previous version are marked as **bold underlined** and with ~~striketroughs~~.

The Working Party on Energy (EWP) on 7 May will be invited to discuss these revised draft conclusions. Delegations are invited to provide written feedback by 8 May the latest.

**Draft Council conclusions on the Future of Energy Systems
in the Energy Union to ensure the clean energy transition and the
achievement of energy and climate objectives ~~post-2020~~ towards 2030 and beyond**

The Council of the European Union:

RECALLING:

- **Article 194 of the Treaty on the Functioning of the European Union,**
- the conclusions adopted by the European Council on 13 and 14 December 2018, especially with regard to the invitation to continue work on the elements outlined in the Commission Communication "A Clean Planet for all",
- **the conclusions adopted by the European Council on 21 and 22 March 2019 that emphasise the importance of the EU submitting an ambitious long-term strategy by 2020 striving for climate neutrality in line with the Paris Agreement, while taking into account Member States' specificities and the competitiveness of European industry,**
- the 'Clean Energy for all Europeans' legislative package, setting the framework for the implementation of the Union's 2030 climate and energy targets **on greenhouse gas reductions, renewable energy increases and energy efficiency improvements.**

TAKING NOTE OF:

- The Commission Communication on Strengthening Europe's energy networks of 2017,
- The Commission Communication of 9 January 2019 titled "Energy prices and costs in Europe",
- The Commission Communication of 9 April 2019 titled 'Fourth Report on the State of the Energy Union',
- **The Commission Recommendation of 3 April 2019 on cybersecurity in the energy sector.**

AKNOWLEDGING the five dimensions of the Energy Union **with a forward-looking climate policy**, that are closely interrelated **and mutually reinforcing**: energy security, solidarity and trust; a fully integrated European energy market; energy efficiency contributing to moderation of demand; decarbonization of the economy; and research, innovation and competitiveness, and the need to provide a coherent strategy and a balanced approach of the five dimensions.

STRESSES the need to ensure the clean energy transition and the achievement of energy and climate **targets towards 2030 and beyond**, by developing **reliable and** cost-effective energy networks and by modernizing the energy system through the promotion of innovative technologies, digitalization and sector integration **and by modernizing the whole economy towards carbon neutrality on the longer term.**

UNDERLINES the importance of ambitious Integrated National Energy and Climate Plans (NECP) to be notified by Member States by the end of 2019 and their effective implementation as well as regional coordination between the Member States with regard to these plans, while taking into account the Member State's specificities and different starting points reflected in the NECP and RECOGNIZES the role of the governance system and the exchange of best practices to guarantee and facilitate the achievement of the goals of the energy transition and climate.

STRESSES the importance of citizens and businesses to be at the core of the **market driven** energy transition process, while ensuring public support for **and public acceptance of the EU's** ambitious energy and climate **targets towards 2030, and providing for a just transition and for** affordable **energy** for household consumers, **taking into account vulnerable customers**, as well as for industry, **in order to ensure its global competitiveness.**

RECOGNISES the need of substantial **public and private** investments to facilitate the energy transition, **particularly** in the electricity and gas sectors, and the importance of ensuring adequate EU financial support and a ~~stable and~~ predictable investment framework, EMPHASISING in this respect **the importance of the EU's overall financial framework, the role of the European Investment Bank to provide multipliers and the importance of balanced EU state aid rules.**

ACKNOWLEDGES the **important** role of regional cooperation in ensuring the energy transition and the achievement of the objectives of the Energy Union, through the already established cooperation fora in the EU.

I. To promote the development of **reliable and cost-effective energy networks** the Council:
STRESSES the importance of cost-effective **and efficient** energy networks for the functioning of the internal market and in order to ensure security of supply, **with a focus on diversification of energy sources and routes and improvement of markets' integration.**

UNDERLINES the importance of making the energy infrastructure ready to make use of the opportunities offered by the ongoing process of modernization, decarbonization, by the growing shares of renewable energy, in order to evolve into a fit-for purpose, modern, effective and smart energy system across the EU.

IDENTIFIES the following energy infrastructure priorities:

- Enhance cross-border interconnections necessary to reach the 10% electricity interconnection target for 2020 **with the objective of arriving at a 15% target for 2030, while also address intra-state bottlenecks;**
- **Facilitate** the RES **roll-out as well as their** integration in the networks, especially at distribution level, **particularly through promoting sector integration and developing storage solutions, bearing in mind the need to maintain grid stability and security of supply;**
- Facilitate the **further** electrification of the economy such as for transport, ~~heating and cooling~~ and industry;
- **Promote** E-mobility **and alternative renewable fuels** infrastructure development, such as for EU charging point infrastructures in the public and private areas, across the EU;
- Enhance power sector flexibility via energy storage, **power-to-x technologies, as well as demand management solutions such as** smart metering;
- **Utilize existing infrastructure in order to secure cost effective transition and avoid stranded assets.**
- **Implement energy efficiency measures and the energy efficiency first principle;**

II. To promote the development and deployment of **innovative technologies** the Council:

CALLS on the importance of ensuring technology neutrality for creating a level-playing field for available and emerging technologies and market-based solutions, **while EMPHASISING that technologies to be deployed must be safe, sustainable and environmentally sound.**

RECOGNIZES the importance of research and demonstration as well conditions that allow innovative new technologies to develop and mature under market conditions, and STRESSES the need to **exponentially increase** investments in Research, Development and Innovation to facilitate technological leadership of European companies **with regard to emerging technologies, while also promoting business models and social innovations to ensure the deployment and acceptance of the technological solutions.**

UNDERLINES that digitalization, including the development of smart grids **and data management,** will play a fundamental role for future energy systems, **providing increased flexibility and supporting the energy efficiency first principle,** while RECOGNISING that cybersecurity **and the protection of personal data** will have to be ensured throughout **the entire energy sector. ~~sectors covered.~~**

REITERATES that storage systems are key for transition **both conventional and new solutions,** e.g. hydro power **for seasonal** storage and batteries **for short term storage** but also ~~new solutions~~ **such as** storage of gas and **renewable** hydrogen from power to gas production.

ENCOURAGES the improvement and access to EU funds, **in particular for active consumers and energy communities as well as for industry when innovating and when adapting to energy transition needs.**

STRESSES the importance of cost-efficient financial support for the swift deployment of renewable energy and energy efficiency technologies, inter alia through the new Union renewable energy financing mechanism and with an aim to reap energy efficiency potentials, especially in the buildings sector.

RECOGNIZES the necessity to assess and take account of the costs and benefits of the deployment of new technologies on both economic and social dimensions, with the aim of maintaining and improving industrial competitiveness of the EU **on a global level, while avoiding measures that would be detrimental to it.**

III. To promote **sector integration** the Council:

HIGHLIGHTS the importance of sector integration and sector coupling, such as of electricity, gas, heating and cooling **as well as transport** infrastructure, supported by digitalization, that are key to contribute to the decarbonization of the energy system in a cost-effective manner, **and considering that Smart Cities and Communities are important to realising sector coupling.**

UNDERLINES the importance of ensuring the deployment of cost-effective solutions for decarbonisation.

CALLS on the importance of ensuring a level playing field across sectors, **recognizing Member State's right to choose their energy mix,** so that the more cost efficient solutions for decarbonisation are deployed **and STRESSES in this regard the need to remove regulatory barriers and gaps and explore common standards in order to facilitate and develop sector coupling technologies;**

STRESSES the need to better exploit the synergies between different parts of the energy system, production, transport, trade, transformation, distribution and consumption, and by **empowering** consumers in transport and industry to become active **participants in the energy system,** thus contributing to decarbonization **and system flexibility.**

EMPHASIZES the potential of renewable and low-carbon gases technology development and its deployment, such as hydrogen **from renewables,** biogas and biomethane, the potential of which needs to be further assessed and explored, **thereby making the best use of the existing EU gas infrastructure in a decarbonised energy system.**

In view of the next legislative term the Council:

CALLS on the European Commission to duly respect the above mentioned principles when presenting proposals to further develop reliable and cost-effective energy networks and to further modernize the energy system thorough the promotion of innovative technologies, digitalization and sector integration.

CALLS on the European Commission to reflect the efforts required to reach the EU energy and climate targets for 2030 in the context of the fitness check for the EU state aid rules.

Next steps

Provisional timetable

7th of May	EWG : examination of 2nd draft CC
8 th of May	Deadline for written comments
9-10 th of May	Circulation of 3 rd revised draft CC
21st of May	EWG: examination of 3rd draft CC
22 nd of May	Deadline for written comments
23 rd -24 th of May	Circulation of 4 th revised draft CC
28th of May	EWG: finalization of draft CC
12 th of June	COREPER
25 th of June	TTE