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**NOTE**

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from: General Secretariat of the Council  
to: Delegations

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Subject : Summary of the meeting of the **Committee on Industry, Research and Energy (ITRE)**, held in Brussels on 28-29 November 2012

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The meeting was chaired by Ms Sartori (chair) (EPP, IT) and Ms Toia (vice-chair) (S&D, IT).

*\*\*\* Electronic vote on the HORIZON 2020 Package \*\*\**

**1. Establishment of Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**

ITRE/7/08101, 2011/0401(COD), COM(2011)0809

Rapporteur : Teresa Riera Madurell (S&D, ES)

Opinions: AFET, DEVE, BUDG, EMPL, ENVI, TRAN, REGI, AGRI, PECH, CULT, JURI, FEMM

The negotiating mandate was adopted (55 votes in favour, 0 against, 1 abstention).

**2. Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**

ITRE/7/08080, 2011/0402(CNS), COM(2011)0811

Rapporteur : Maria Da Graça Carvalho (EPP, PT)

Opinions: AFET, BUDG, EMPL, ENVI, TRAN, AGRI, CULT, JURI

The negotiating mandate was adopted (53 in favour, 1 against, 0 abstentions).

**3. Rules for the participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)'**

ITRE/7/08098, 2011/0399(COD), COM(2011)0810

Rapporteur: Christian Ehler (EPP, DE)

Opinions: AFET, DEVE, BUDG

The negotiating mandate was adopted (52 votes in favour, 0 against, 1 abstention).

**4. Amendment of Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology**

ITRE/7/08123, 2011/0384(COD), COM(2011)0817

Rapporteur: Philippe Lamberts (Greens/EFA, BE)

Opinions: BUDG, EMPL, CULT, JURI

The negotiating mandate was adopted (unanimity, 44 votes in favour).

**5. Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe**

TRE/7/08116, 2011/0387(COD), COM(2011)0822

Rapporteur: Marisa Matias (GUE/NGL, PT)

Opinions: BUDG, EMPL, ENVI, AGRI, CULT, JURI

The negotiating mandate was adopted (45 votes in favour, 0 against, 1 abstention).

**6. Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing Horizon 2020 – The Framework Programme for Research and Innovation**

ITRE/7/08087, 2011/0400(NLE), COM(2011)0812

Rapporteur: Peter Skinner (S&D, UK)

Opinions: BUDG, ENVI, JURI

The negotiating mandate was adopted (36 votes in favour, 5 against and 4 abstentions).

\*\*\* End of electronic vote \*\*\*

## 7. Amendment of Directive 2003/87/EC clarifying provisions on the timing of auctions of greenhouse gas allowances

ITRE/7/10158, 2012/0202(COD), COM(2012)0416

Rapporteur for the opinion: Francisco Sosa Wagner (NI)

Responsible: ENVI

The rapporteur recalled that the aim of the Commission proposal was to clarify the scope of its implementing powers with regard to the auctioning of emission allowances, in particular the adaptation of the timing of auctions. In principle, he planned to support the proposal, even if there were doubts about whether the proposed amendment was in line with the ETS system.

Almost all the shadow rapporteurs expressed their support for the Commission proposal. Nevertheless, they felt that the measure should remain temporary, with limited scope and sufficient oversight by the European Parliament (Ms Jordan (PPE, SI)), and should ensure legal certainty (Ms Hall (ALDE, UK)). Members also wondered whether the ETS was working properly and whether it was a real market mechanism. Mr Szymański (ECR, PL) did not support the proposal as he thought that the EU would lose its competitiveness. Members were mostly against the proposed change because of its incompatibility with Article 290 of the Treaty (Mr Marcinkiewicz (EPP, PL)) and with Article 10 of Directive 2003/87/EC (Mr Vidal-Quadras (EPP, ES)). They also thought that it would create legal uncertainty and instability (Mr Reul (EPP, DE)) and a subsequent loss of EU competitiveness (Mr Vidal-Quadras and Ms Carvalho (EPP, PT)). Mr Helmer (EFD, UK) agreed with the latter, adding that a tax would be more efficient than the ETS. Mr Březina (EPP, CZ) was also against the ETS as such and would rather see investment in new technologies. Mr Audy (EPP, FR) called on the Commission to assess and evaluate exactly how the ETS was working.

The Commission representative stated that the ETS functioned well as a market. The aim was to avoid volatility and redress the imbalance created by the crisis and regulatory decisions, that had led to a surplus of supply and low carbon prices. She clarified that the proposal would not affect the overall volume of allowances and would not be detrimental to the EP's powers.

The rapporteur hoped for more positive feedback. He repeated his support for the Commission proposal, but added that the power granted to the Commission should be temporary and extraordinary.

<u>Timetable:</u>	consideration of draft opinion:	17 December 2012
	deadline for amendments:	18 December 2012, 12:00
	vote in ITRE:	24 January 2013

## **8. Protection of individuals with regard to the processing of personal data, and the free movement of such data (General Data Protection Regulation)**

ITRE/7/08788, 2012/0011(COD), COM(2012)0011

Rapporteur for the opinion: Seán Kelly (EPP, IE)

Responsible: LIBE

The rapporteur underlined the need to ensure the highest possible protection of personal data while avoiding unnecessary administrative burdens. He favoured a qualitative approach to data protection and emphasised the role of technical solutions such as privacy by design and pseudonymisation and anonymisation. He also highlighted the exemption for SMEs, data portability provisions, a one-stop shop concept and fraud in sport.

Members had differing views as to whether the rapporteur had improved the Commission proposal. Some welcomed the focus on proportionality between data protection and red tape, while others thought that it weakened the proposal in several areas. They felt there was a need for clarification of definitions such as explicit consent, pseudonymisation/anonymisation and the right to be forgotten, and called for the responsibilities of data processor and data controller to be defined and clearly distinguished. They welcomed the deletion of the majority of the provisions on delegated acts. Other issues mentioned were: the notification of users and authorities concerning security incidents, the right of withdrawal, exemptions from additional oversight mechanisms and support for the focus on doping.

The Commission representative welcomed the overall support for the proposal, including the one-stop shop concept. She took note of concerns about red tape and said that there was scope for seeing how it could be reduced without lowering the level of protection (in particular in the online environment). Regarding explicit consent, she clarified that the Commission was not proposing to extend the use of consent for data processing. However, when used, it had to be meaningful and right. It did not need to be in written form. She also showed a willingness to clarify the scope of the provisions on the right to data portability and the right to be forgotten.

The rapporteur agreed with Ms Hall that, if the text was well drafted, there was no need for delegated acts. He also agreed with the Commission on the issues of consent, data portability and the right to be forgotten. He again highlighted the one-stop shop concept that would avoid unnecessary burdens for industry.

<u>Timetable:</u>	hearing:	17 December 2012
	deadline for amendments:	18 December 2012, 12:00

## **9. Risk and safety assessments ("stress tests") of nuclear power plants in the European Union and related activities**

ITRE/7/10880, 2012/2830(RSP)

Rapporteur: Amalia Sartori (EPP, IT)

Exchange of views on the basis of motion for a resolution

Some Members called for political differences on nuclear energy to be set aside and for the focus to be on safety. Ms del Castillo Vera (EPP, ES) and Ms Țicău (S&D, RO) underlined the need to follow up the results of stress tests (which identified some gaps in relation to reaction to external events), and to implement the necessary measures. They also called for periodic reviews based on common safety standards and harmonised EU procedures, respecting the principle of subsidiarity. Ms Hall (ALDE, UK) considered that there was a need for transparency in the industry regarding the costs of these safety improvements, which she felt should not be subsidised. Together with Mr Audy (PPE, FR), she called for reform of the Euratom Treaty. Mr Audy echoed her calls for transparency, stressing that the costs of nuclear energy should include all costs (e.g. safety and decommissioning). Mr Vidal-Quadras (EPP, ES) pointed to the difference between safety and security (the tests focused on the first, with only an ad hoc group of four countries being tested on the second) and called for this distinction to be reflected in the resolution. Mr Turmes (Greens/EFA, LU) highlighted the fact that the tests did not test crashes (security) and that the results did not give a ranking of the most dangerous power plants and failed to address the issue of liability. On safety in particular, Mr Balčytis (S&D, LT) considered that the resolution should include a point on the safety of decommissioned power plants, with the EU taking a leading role in this field. Mr Prodi (S&D, IT) underlined that safety must cover the whole lifecycle of a reactor, including decommissioning and disposal of waste. Ms Jordan (EPP, SI) added that safety should be as high as possible (and improved where necessary) throughout the EU and that similar levels should be achieved in third countries. Mr Březina (EPP, CZ) was opposed to increasing Commission powers in the area of safety checks. Mr Tošenovský (ECR, CZ) also thought that supervisory tasks should remain at the national level.

The Commission representative welcomed the draft resolution as a well balanced document, covering aspects highlighted in the Commission communication. As a follow-up, the focus would be on implementing recommendations, and he gave a detailed overview of subsequent steps. Off-site emergencies were also identified as a priority for future work. The Commission had already commissioned a study on this topic. He also expressed his satisfaction at the contacts with third countries during this exercise. In this context, he considered that the wording in the resolution on Russia and Belarus was too harsh and should be reviewed.

## **10. Current Challenges and Opportunities for Renewable Energy in the European Internal Energy Market**

ITRE/7/09840, 2012/2259(INI), COM(2012)0271

Rapporteur: Herbert Reul (EPP, DE)

Opinions: INTA, ECON, ENVI, IMCO, REGI, AGRI

Identifying obstacles to the integration of renewables in the energy market, the rapporteur highlighted the different systems and mechanisms for promoting renewables in the various Member States, and questioned the efficiency and effectiveness of these systems and whether the funds were being used correctly. He felt that they should be phased out and managed at EU level, and suggested an EU-wide quota scheme for promotion of renewables. He also referred to infrastructure requirements, research and development, the use of ICT in energy provision, cooperation schemes and energy poverty as a possible negative consequence of renewables.

With renewables as a substantial component of energy mix, Members generally supported the report and many called for goals to be set beyond 2020 (Mr Lange (S&D, DE), Ms Hall (ALDE, UK) and Mr Turmes (Greens/EFA, LU)). They also pointed to the problems involved in the integration of renewables in the internal market (Mr Vidal-Quadras (EPP, ES)), and the need to focus on investment and storage (Mr Lange, Ms Hibner (EPP, PL)). In this context, the backup energy supply was mentioned, and the need to address related price increases (Mr Vidal-Quadras). Mr Mészáros (EPP, SK) supported renewables as part of energy mix, but not at the expense of competitiveness and growth potential. Mr Helmer (EFD, UK) thought that renewables were unnecessary and expensive and were affecting EU competitiveness. He believed that the emission targets could be achieved more efficiently and cheaply with nuclear energy and gas. Furthermore, savings by renewables were offset by the inefficiency of conventional backups. Regarding the support schemes in particular, Mr Lange called for convergence and harmonisation and inquired about the conditions. Mr Rübzig (EPP, AT) preferred a single framework in order to avoid distortion of competition. Ms Hall advocated a pragmatic approach, as the schemes differed in several respects (technology, stage of development, administration, etc.). Other issues mentioned included: cooperation schemes, access to capital, energy poverty, increased funding for renewables under the structural funds, biomass and photovoltaic energy, the need for investment in new technologies, infrastructure, avoiding internalisation of external costs (e.g. insurance) and exploring the further use of gas.

The Commission representative welcomed the report, which identified all the important issues in this area. With regard to the support schemes, he saw some scope for convergence and informed Members about the Commission's work on guidance with practical advice on designing and reforming support schemes without distorting the market. Nevertheless, he felt that an EU-wide quota scheme for promotion of renewables was premature at this point in time. He also thought that some guidance could also be provided on cooperation between Member States. As to the backup capacity (volume and costs), this was indeed necessary, but not for all types of renewables, and it depended on a whole range of factors such as the degree of interconnectivity, the type of renewable and storage capacity. He agreed that it was necessary to look beyond the 2020 targets.

Timetable: deadline for amendments: 17 December 2012, 12:00

\*\*\* *Electronic vote* \*\*\*

**11. Amendment of Directive 2003/98/EC on re-use of public sector information**

ITRE/7/08211, 2011/0430(COD), COM(2011)0877

Rapporteur: Ivailo Kalfin (S&D, BG)

Opinions: IMCO, CULT, JURI, LIBE

The negotiating mandate was adopted (46 in favour, 4 against, 0 abstentions).

**12. Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020)**

ITRE/7/08064, 2011/0394(COD), COM(2011)0834

Rapporteur: Jürgen Creutzmann (ALDE, DE)

Opinions: BUDG, ECON, EMPL, IMCO, TRAN, FEMM

The negotiating mandate was adopted (49 in favour, 1 against, 2 abstentions).

**13. Amendment of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts**

ITRE/7/08048, 2011/0389(COD), COM(2011)0778

Rapporteur for the opinion: Jürgen Creutzmann (ALDE, DE)

Responsible: JURI

The draft opinion was adopted as amended (42 in favour, 5 against, 2 abstentions).

**14. Specific requirements regarding statutory auditing of public-interest entities**

ITRE/7/08136, 2011/0359(COD), COM(2011)0779

Rapporteur for the opinion: Jürgen Creutzmann (ALDE, DE)

Responsible: JURI

The draft opinion was adopted as amended (37 in favour, 8 against, 2 abstentions).

\*\*\* End of electronic vote \*\*\*

## **15. Nuclear decommissioning assistance programmes in Bulgaria, Lithuania and Slovakia**

ITRE/7/07871, 2011/0363(NLE), COM(2011)0783

Rapporteur: Giles Chichester (ECR, UK)

Opinion: BUDG

According to the rapporteur, the main outstanding issue was whether all three countries should be covered by one legal basis. He supported a separate legal basis for Lithuania. Other issues included: whether the commitments were open-ended, the definition of decommissioning, the amounts involved and the nature of the legislative procedure.

All Members who took the floor on the question of the legal basis (Mr Vidal-Quadras (EPP, ES), Mr Balčytis (S&D, LT) and Ms Morkūnaitė-Mikulėnienė (EPP, LT)) said that Protocol 4 of the Accession Treaty should be the legal basis for Lithuania (as it mentioned the possibility of financing beyond 2006). Other issues raised were: the retention of special ex-ante conditions (Mr Vidal-Quadras), including the dismantling of reactors in the regulation (Mr Vidal-Quadras), the need to ensure safety in decommissioning (Mr Balčytis), attempts to put an end to funding for decommissioning that did not comply with the requirements of environmental protection (Ms Morkūnaitė-Mikulėnienė) and the "extremely low" proposal for financial support for Slovakia (Mr Mészáros (EPP, SK)).

The Commission representative refused to have separate legal bases, as decommissioning should be governed by the Euratom Treaty and not by Protocol 4. He said that the financing should continue, but should focus on decommissioning activities only.

The rapporteur acknowledged the difficulty involved in reconciling the issue of the legal basis.

<u>Timetable:</u>	vote in ITRE:	18 December 2012
	vote in plenary:	January/February 2013

## **16. Visit by Günther Oettinger, Commissioner for Energy, to present the Internal Energy Market Communication**

The Chair announced that an own-initiative report would be drawn up on this subject, with a rapporteur from the EPP group.

The Commissioner stressed the importance of transposing the third energy package legislation for the completion of the internal energy market by 2014. He said that clear progress had been achieved in the wholesale market. However, a lot of work was still needed in the retail markets. The infrastructure should also be examined, as there was a need for new technologies, interoperability and interconnection to ensure the security of supply and affordable energy prices. Further incentives and investments were needed for renewables, storage capacities, backup production, flexible market design and capacity mechanisms at EU level. With electricity and gas prices being regulated in all but nine Member States, Mr Oettinger pointed to the lack of transparency in competition and confidence for consumers.

During the following discussion, Members raised several issues, including: capacity mechanisms (Ms Hall (ALDE, UK), Mr Turmes (Greens/EFA, LU)), renewables in receipt of large amounts of state aid and the outlook for this sector (Mr Reul (EPP, DE)), the strategy for nuclear development (Mr Balčytis (S&D, LT)), unfair competition related to subsidies for old technologies (including coal and nuclear), as distinct from those for renewables and new technologies (Mr Turmes, Ms Hall), transparency (Mr Turmes, Ms Trautmann (S&D, FR)), microgeneration (Ms Merkies (S&D, NL)), costs for businesses due to the backup supply (Ms Trautmann), the South Stream project and Gazprom (Ms Jordan (EPP, SI), Ms Kolarska-Bobińska (EPP, PL)), international competition in relation to high EU energy prices (Ms Trautmann), , energy-intensive businesses and state aid (Mr Creutzmann (ALDE, DE)), the 2013 budget and the MFF (Ms Jordan, Ms Carvalho (EPP, PT)) in relation to the CEF (Ms del Castillo Vera (EPP, ES)) and ACER (Ms Jordan)), research and development (Ms Carvalho) and renationalisation in the UK (Mr Turmes).

On infrastructure, Mr Oettinger pointed to the compromise reached in the trialogue and the next steps planned for the forthcoming period in the CEF and the PCIs. Under the new MFF the Commission would, together with the EIB, look carefully at how to boost as many projects as possible. On the connection between energy and ICT, he advocated caution as data protection needed to be secured, as well as competition between suppliers. As to the energy-intensive industry, given the international competition, he said that there was no room for too great a differential in energy costs. On the ETS, he thought that it would need an annual readjustment.

On renewables, he agreed that these should be brought within the framework of the EU and warned that the lack of targets beyond 2020 could lead to renationalisation. He also felt that reserve capacity should be European. In response to the comments on Gazprom and the South Stream project, he called on Members to encourage the Member States to show "more backbone" in dealing with the Russians and said that internal energy market rules should be spelled out clearly to them. As to the project as such, he informed Members that no route had been demarcated yet and the capacity remained unknown.

**Dates of the next meeting :**

- 17 December 2012, 15.00 – 18.30 (Brussels)
  - 18 December 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
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