



**COUNCIL OF
THE EUROPEAN UNION**

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**ENER 33
POLGEN 15**

NOTE

from: General Secretariat of the Council

to: Coreper

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Subject: **PREPARATION OF THE TTE (ENERGY) COUNCIL ON
22 FEBRUARY 2013**

- European semester 2013
 - = Exchange of views
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1. Like several other Council configurations the TTE Council should contribute to the European semester exercise and review progress and challenges in the implementation of the Europe 2020 strategy for growth and jobs, including with respect to the energy headline targets concerning renewable energy and energy efficiency. An overall schedule for this exercise, with specific milestones for each Council configuration, is set out in doc. 16833/12.

The preparation of this contribution by the TTE(Energy) Council has in fact already started with its thorough consideration of priorities for renewable energy as reflected in the Council conclusions (16205/12) adopted on 3 December last and, on the same date, its first exchange on progress made and efforts needed regarding the orientations set by the European Council in February 2011.

2. Besides the Communications on Renewable Energy (11052/12) and on the Internal Energy Market (16202/12 + ADD 1 +ADD 2), the Annual Growth Survey 2013 (16669/12, notably its section 3 on promoting growth and competitiveness) as well as its companion reports, notably the report on the State of the Single Market integration (17281/12, with section 2.2 addressing energy markets) and the report on the Consumer Markets Scoreboard - Making markets work for consumers (17227/12 ADD 1) are relevant to assess progress on Europe 2020 objectives.
3. From the written contributions already received one can note i.a. the following elements highlighted by one or more delegations:
 - a) as regards the main obstacles to Europe 2020 energy objectives:
 - bottlenecks and lack of infrastructure
 - regulatory uncertainty (be it. with respect to biofuels or in a long term perspective) or possible inconsistencies between different bodies of law (e.g. energy vs. environment protection)
 - access to financing, notably as regards renewables
 - factors affecting the developments of renewable, such as cost structure for generation as compared to fossil fuels, barriers to entry, uncertainty affecting the carbon price and the ETS, unpredictability of support policy, integration in the internal energy market, availability of storage capacity and back-up power
 - lack of a well functioning internal energy market, with as far as gas is concerned not enough being done in terms of diversification of routes and sources
 - factors affecting the development of energy efficiency, such as inadequate information and financial incentives, low profile of energy efficiency, inadequate implementation of existing legislation
 - b) as regards measures with the biggest potential for growth
 - activities and products linked to energy efficiency, paying proper attention to the full implementation of the wide body of legislation in this field and the means to do (e.g. incentives), and to the link between promoting energy efficiency and addressing energy poverty and vulnerable consumers
 - further development of renewables, including by ensuring their sound financing and clarifying the use of the cooperation mechanism under Dir. 2009/28

- make use of EU financial instruments to facilitate access to capital at comparable terms across the EU
 - a stable and clear regulatory framework in a post-2020 perspective
 - put competitiveness back in focus and approach energy policy from an industrial strategy perspective
 - more concerted effort, political as well as regulatory, to complete the Internal energy market, notably as regards market coupling and network codes, unbundling, congestion management, also paying attention to interconnection with third countries
 - generally all the innovations and investments contributing to clean technologies and to the transition to a low-carbon society
 - invest, through the SET-Plan, in R & D, notably for renewable energy technology, energy efficiency, and carbon-neutral technology generally.
 - support the transition to low-carbon through a revised energy taxation Directive
 - investing in infrastructure, notably for cross-border exchanges of energy
4. Those delegations which would like to add their contribution to this European semester exercise are invited to intervene, on the occasion of the exchange of views foreseen at the TTE (Energy) Council on 22 February, on the basis of the following questions¹: :
1. *What do you see as main obstacles to the achievement of the Europe 2020 energy objectives ?*
 2. *In light of the Annual Growth Survey 2013 and related reports which measures in the energy sector have the biggest potential to contribute to growth and competitiveness and should thus be prioritised ?*
5. Delegations' written contributions will be synthesized together with any additional oral interventions at the TTE (Energy) on 22 February which will address this topic. The TTE(Energy) contribution will then feed into the overall report on Europe 2020 due to be presented to the General Affairs Council.
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¹ Note: as customary, Member States are invited to submit written replies to these questions, preferably *before* the Council policy debate. This will allow Member State representatives to focus on key issues during the debate.