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NOTE

from: General Secretariat of the Council
to: Delegations

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Subject: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions
- Energy Roadmap 2050
= Outline of possible elements for the draft TTE Conclusions

Following the Commission Communication on the Energy Roadmap 2050, submitted on 15 December 2011, the Presidency intends to prepare Council conclusions for adoption at the TTE Council (Energy) on 15 June 2012. The timetable for the preparation of the file is set out in doc.18582/11.

In view of the Energy Working Party on 13 March 2012, delegations will find in Annex an outline of possible elements to be included in the TTE conclusions, as prepared by the Presidency. The Energy Roadmap 2050 will also be considered by the Informal Energy Ministerial on 19-20 April 2012 before the drafting of the Council conclusions will commence.

Delegations are invited to present comments on the above outline by 23 March 2012.

Outline of possible elements for the draft TTE Conclusions

Procedural

- Recalling:
 - the Conclusions on Energy, adopted by the European Council on 4 February 2011,
 - the Council Conclusions on "Energy 2020; A strategy for competitive, sustainable and secure energy", adopted by the TTE Council on 28 February 2011,
 - the Commission Communication, of 15 December 2011, on the Energy Roadmap 2050.

- Acknowledging that the Energy Roadmap 2050, as a basis for developing a long-term stable policy framework towards a decarbonised, competitive and secure energy system in 2050, identifies key options to reduce uncertainty among investors, decision-makers and citizens

Horizontal principles

- Reference to the urgent need for a major transformation in production, supply and consumption of energy in order to meet the EU's decarbonisation objective, in a sustainable and cost - efficient way, while at the same time ensuring security of energy supply and competitiveness.

- Recognition of the urgent need to define the 2030 framework to provide investor security and ensure a cost-effective transition while avoiding lock-in effects.

- Following the transition of the energy system towards decarbonisation, recognition of the need for political commitment to promote adequate actions for the general public, in particular concerning:
 - the role of the consumer, especially as regards demand-side management;
 - consequences of the transition on employment and jobs;
 - adequate resources to provide education and training of skills to meet the transition;
 - public awareness and acceptance.

- Acknowledging the findings of the Energy Roadmap that decarbonisation of the energy sector is technically and economically feasible, and can be less costly than a continuation of current policies; and that investments will pay off, in terms of growth, employment, greater energy security and lower fuel costs.
- Underlining the need to ensure timely and full implementation of the EU's Energy 2020 strategy, including the legislation called for by the strategy.
- Recognising that the Energy Roadmap 2050 does not replace national, regional and local efforts to modernize energy supply and urges Member States and the Commission to continue to pursue options which can meet the EU's decarbonisation objective in an economically efficient way and continue the efforts to fully tap the potential for cost-effective energy savings.

Key elements of a long-term strategy

- Recognising that certain core elements are required in the pathways towards a low-carbon 2050 energy system ("no-regret" options), in particular:
 - the need for increased energy savings to ensure a more energy efficient system and to create a stable framework for energy efficiency investments post 2020;
 - that a higher share of renewable energy beyond 2020 is a major pre-requisite for a more sustainable energy system, and recognising that in 2030, all the decarbonisation scenarios explored in the Commission Communication suggest shares of renewable energy of around 30% in gross final energy consumption; stressing the need to reflect in support schemes the increasingly competitive nature of renewable energy
 - the urgent need for new, smart and flexible infrastructure and fully integrated network planning.
- Emphasising from a security of supply perspective, both at national and international level, the benefit of maintaining more than one dominant technology solution in order to facilitate adaptations in a technology-neutral European energy system.

- Building on the understanding that adequate and predictable carbon pricing and other instruments are efficient tools to achieve greenhouse gas emissions reduction and can provide an incentive for investments in safe, sustainable and clean low-carbon technologies across the EU.
- Emphasising that transition of the energy system towards decarbonisation will require public and private investments in R&D and technological innovation. Recognising also the importance of the continued implementation and improvement of the European Strategic Technology (SET) Plan and of other technology initiatives. Underlining the importance of facilitating market driven technology solutions.

Internal energy market

- Stressing that the EU climate and energy policies and the further improvement of the EU-wide energy market will be key to delivering the EU energy and climate change objectives in a cost effective way, while emphasizing the need for a fully integrated market by 2014, noting the importance of full implementation in all Member States of the internal energy market legislation as well as the need to eliminate energy islands in the EU by 2015.
- Highlighting the importance of ensuring that policy and regulatory developments in Member States do not create new barriers to electricity or energy market integration and that energy policy developments need to take full account of how each national system could be affected by decisions in neighbouring countries.
- Recalling that markets must continue to play the main role in financing energy infrastructure investments, with costs recovered through tariffs and the inclusion of external costs, while acknowledging that there are some projects, which may require limited public support.
- Recognising that the first response to clearly identified energy market distortions has to be measures to improve market functioning. Therefore, calling for the rationalization and the phasing out of harmful subsidies.

External

- Building on the November 2011 TTE Council Conclusions on strengthening the external dimension of the EU energy policy, the need for a broader and more coordinated EU approach to international energy relations in order to meet global energy challenges and climate change and to address competitiveness and carbon leakage related issues, while at the same time ensuring the safe, secure and diversified supply of energy.

Follow-up

- With a view to reducing long term regulatory uncertainty, invitation to the Commission to propose a 2030 policy framework [in 2013], based on the no-regrets options identified in the Energy Roadmap 2050 and lessons learned from the 2020-framework, including the interactions between different targets and instruments and national support schemes, taking into account the impact on Member States, and the various potential energy mixes in Member States.
- Invitation to the Commission to regularly monitor and report on the measures described in the Energy Roadmap 2050, making full use of the existing reporting mechanisms, and to proceed with appropriate actions as a result of the monitoring. While stressing that urgent decisions have to be taken on the basis of the current information and the Roadmap, foresee regular review of the Energy Roadmap 2050.
