



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 8 May 2012

**8870/2/12
REV 2**

**ENER 135
ENV 292
POLGEN 62**

NOTE

from:	General Secretariat of the Council
to:	Delegations
No. Cion doc.:	18597/11 ENER 408 ENV 973 POLGEN 232
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 = Council conclusions

Delegations will find in Annex I a revised version (changes made until section 2 inclusive) of the above conclusions based on the examination by the Energy Working Party on 3 May and the written comments received.

Following comments raised on proper references to EU operating in a global context as well as to environment and climate change, delegations should note that section (4) of the conclusions is dedicated to the external dimension of the EU energy policy in which a clear reference has been introduced to the fact that the EU operates in a global context. Furthermore, it is reiterated that the draft conclusions are focussing on energy related issues, without prejudice to measures taken or conclusions adopted by the Council in the environmental field.

All delegations have a general scrutiny reservation on the text.

**Draft Council Conclusions
on the Energy Roadmap 2050**

The Council of the European Union,

RECALLING:

- conclusions on energy, adopted by the European Council on 4 February 2011,
- conclusions on "Energy 2020; A strategy for competitive, sustainable and secure energy", adopted by the TTE Council on 28 February 2011,
- conclusions adopted by the European Council on 29/30 October 2009, especially with regard to point 7 of Section II (Climate change) in which the European Council supports an EU objective, in the context of necessary reductions according to IPCC by developed countries as a group, to reduce **GHG** emissions by 80-95% by 2050 compared to 1990 levels,
- **conclusions adopted by the European Council on 9 December 2011, especially with regard to paragraph 7, section II (Energy) with reference to agreement on the low-carbon 2050 strategy.**

WELCOMING the Commission Communication, of 15 December 2011, on the Energy Roadmap 2050 which provides, through its technology neutral approach and the diversity of its illustrative scenarios, useful perspectives on the various routes towards decarbonisation¹ of the European energy system by 2050.

WELCOMING ~~the technology neutral approach followed in the Energy Roadmap 2050 which could serve~~ as guidance for developing a long-term stable policy framework towards a decarbonised, sustainable, competitive, **affordable**, safe and secure energy system in 2050, ~~identifying through its identification of~~ key options, under certain assumptions, to reduce uncertainty among investors, decision-makers and citizens.

¹ Reference to "decarbonisation" and "low carbon" throughout these conclusions should be understood as not excluding energy technologies that while using carbon-based fuel have low carbon emissions.

1. Horizontal principles

1. STRESSES the urgent need **to launch a process** for a major transformation in production, supply and consumption of energy in order to meet the EU's decarbonisation objective **and the objectives of ensuring security of energy supply and competitiveness** in a sustainable, cost-effective, efficient, technology-diversified-neutral, socially and environmentally acceptable way, taking into account the national energy-mix, **preferences**, potential and characteristics of each Member State, ~~while at the same time ensuring security of energy supply and competitiveness.~~
- 1a. **STRESSES that energy supply and energy security are strongly interconnected with the EU's economic development and competitiveness and thus EMPHASISES the need to pursue the transition of the EU's energy system while taking into account the global developments.**
2. RECOGNISES that the task of developing post-2020 strategies which creates a more stable investment framework is necessary and urgent, and thus ENCOURAGES work to define the 2030 **policy** framework in the appropriate timetable, to provide investor security and ensure a cost-efficient and effective transition while avoiding lock-in effects, while UNDERLINING, ~~as a prerequisite, the necessity importance~~ to ensure and monitor the timely and full implementation of the priorities of the EU's Energy 2020 strategy, including the legislation called for by the strategy.
3. RECOGNISES, under certain assumptions, the findings of the Energy Roadmap 2050 that decarbonisation of the energy sector on a EU wide scale is technically and economically feasible, and could in the long term be less costly than a continuation of current policies; and that sound investments will pay off in the long-term perspective, in terms of growth, employment, greater energy security and lower fuel costs while, at the same time, decreasing import dependency. **NOTES, that the costs of the transition towards decarbonisation will not be the same among Member States.**

4. In order to assist the transition of the energy system, RECOGNISES the need to promote adequate actions for the general public, in particular concerning:
- the role of the consumer, especially as regards demand-side management;
 - the consequences for competitiveness, growth, employment, **health benefits** and jobs;
 - education and training of skills to meet the transition;
 - public awareness and acceptance;
 - addressing the consequences of ~~transitional~~ **potential** increases in energy prices for consumers, notably for the most vulnerable.
5. While RECALLING the competence of each Member State to define its own energy-mix and ACKNOWLEDGING that the Energy Roadmap 2050 complements national, regional and local efforts to modernize energy supply, URGES the Member States and the Commission to continue to pursue options which can meet the EU's decarbonisation objective in an economically efficient and sustainable way, and continue the efforts to fully tap the potential for cost-effective energy savings, ~~supported by *inter alia* available Union financial instruments,~~ while RECOGNISING the merit in developing a **more** coordinated European approach in so doing.

2. Key elements of a long-term strategy

1. RECOGNISES **the findings of the Energy Roadmap 2050** that **the following** ~~certain~~ core elements would be required in the pathways towards a low-carbon 2050 energy system ("no-regret" options), ~~in particular~~:
- the urgent need for new, smart and flexible infrastructure and fully integrated network planning, as proved necessary;
 - the need for increased energy efficiency to ensure a more energy efficient system and to create a stable framework for energy efficiency investments post 2020;
 - ~~— the need for developing low carbon energy technologies;~~
 - that a **significantly** higher share of renewable energy beyond 2020 ~~is~~ **as** a key aspect of a more **safe and** sustainable energy system and, while CONSIDERING the increasingly competitive nature of renewable energy, **NOTES RECOGNISES further** that, ~~in 2030,~~ all the decarbonisation scenarios explored in the Commission Communication ~~which~~ suggests ~~an significantly~~ increased share of **the** energy mix for renewable energy of around 30% in gross final energy consumption **in 2030**.

- 1a. **RECOGNISES, as an additional element required in the pathways towards a low-carbon 2050 energy system, the need to develop all safe and sustainable low carbon technologies that are in line with Member States' own national preferences. EMPHASISES that transition of the energy system towards decarbonisation will require considerable public and private investments in R&D and technological innovation and UNDERLINES the importance of facilitating market driven technology solutions; RECOGNISES the importance of the continued implementation, improvement and financing of the European Strategic Technology (SET) Plan¹ and of other technology initiatives, as appropriate.**
2. EMPHASISES from a security of supply and competitiveness perspective, both at national and international level, the benefit of maintaining diversified technology solutions that should be environmentally sound as well as socially and economically acceptable.
- 2a. NOTES that optimal, **safe** and sustainable use ~~should be made~~ of domestic energy resources **and the required infrastructure can contribute to ensure increased** energy security and competitiveness.
- 2b. NOTES **the findings of the Energy Roadmap 2050** that gas ~~continues to play a role in~~ **will be critical for** the transformation of the energy system ~~as indicated in the Energy Roadmap 2050~~.
- 2c. RECOGNISES the need to consider the full integration of the transport sector in the pathways towards a low-carbon 2050 energy system.
3. CONSIDERS that adequate and robust carbon pricing and other market-oriented instruments **such as energy taxation** 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; EMPHASISES that emissions trading, with ETS as a key instrument, needs to play an increased role in the long-run, while, **taking into account efforts by third countries**, mechanisms need to be in place to avoid carbon leakage.

¹ AT would like to recall its statement to the minutes of the Council on 28 February 2008 regarding the SET-plan.

3. Internal energy market

1. STRESSES 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 EMPHASISING the need for a fully integrated market by 2014, NOTES the importance of full implementation in all Member States of the internal energy market legislation as well as the need to ~~eliminate~~ **avoid that any Member State remains isolated from the European gas and electricity networks after 2015.**
2. HIGHLIGHTS the importance of ensuring that policy and regulatory developments in Member States would eliminate remaining "bottlenecks" and do not create new barriers to electricity and gas 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; EMPHASISES the important role of ~~greater~~ **good** coordination, **information exchange and regular monitoring** of national policies in this respect.
3. RECALLS 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 **some** limited public support **to leverage private funding** and EMPHASIZES that any contribution from public finance should be based on clear and transparent criteria.
4. RECOGNISES that the first response to clearly identified energy market distortions has to be measures to improve market functioning. Therefore, CALLS for the rationalization and the phasing out of environmentally or economically harmful subsidies including **for** fossil fuels.

4. External

While RECOGNISING that the EU operates in a global context, RECALLS 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.

5. Follow-up

1. With a view to reducing long term regulatory uncertainty, INVITES the Commission to propose a 2030 policy framework once an analysis of the first results of the climate and energy package has been reviewed and at the latest by February 2014, 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, instruments, **infrastructure developments** and national support schemes, taking into account the impact on Member States, the various potential energy mixes and national conditions in Member States and of international developments such as carbon leakage and adverse effects on competitiveness.
 2. INVITES the Commission to regularly monitor and report on already put in place measures and legislation described in the Energy Roadmap 2050, making full use of existing reporting mechanisms, and to proceed with appropriate actions as a result of the monitoring. While STRESSING that ~~urgent~~ **timely** decisions have to be taken on the basis of the current information and the Energy Roadmap 2050, FORESEES regular review of the Energy Roadmap 2050 **in an iterative approach with the continued and regular involvement of Member States, and in a transparent manner.**
 3. **AWAITS the Commissions communications on Renewable energy sources, CCS and the internal market which will address key elements for the implementation of the Energy Roadmap 2050.**
-

TIMETABLE

15 December	<ul style="list-style-type: none"> – Communication on Energy Roadmap – circulation of timetable
9 January	preliminary comments/questions on the Communication
10 January	WPENER: presentation of Communication and IA /examination
(tbc) 7 February	Conference on the Energy Roadmap (Brussels)
1 March	deadline for comments on the Communication
6 March	circulation of conclusions outline
13 March	WPENER: presentation of conclusions outline / preliminary reactions
23 March	deadline for comments on outline
19-20 April	Informal Energy Ministerial
23 April	circulation of 1st draft conclusions
24 April	WPENER: presentation of draft conclusions
30 April (12h00)	deadline for comments on 1st draft
30 April	circulation of 2nd draft conclusions
3 May	WPENER: examination of conclusions
7 May	deadline for comments on 2nd draft
8 May	circulation of 3rd draft conclusions
10 May	WPENER: examination of conclusions
16 May	deadline for comments on 3rd draft
22 May	circulation of 4th draft conclusions
29 May (<i>poss</i>)	WPENER: examination of conclusions
1 June	Coreper
15 June	TTE