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## OUTCOME OF THE COUNCIL MEETING

3554th Council meeting

### Transport, Telecommunications and Energy

#### Energy

Luxembourg, 26 June 2017

President **Joe Mizzi**  
Maltese minister for Energy and Water Management

# P R E S S

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

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## **ITEMS DEBATED**

### **ENERGY EFFICIENCY**

The Council reached a general approach on a proposal for a revised directive on energy efficiency. The main objective of the proposed directive is to improve the existing provisions and to increase energy efficiency in order to ensure that the European Union's 2020 headline targets and 2030 climate and energy goals are met.

[Press release on increased energy efficiency](#)

Ministers generally agreed that increasing energy efficiency will benefit the environment, reduce greenhouse gas emissions, strengthen energy security, cut energy costs for households and companies, help alleviate energy poverty and contribute to growth.

However, several member states drew attention to specific national circumstances and to the importance of taking into account after 2020 long-term measures already launched.

Commissioner Cañete stressed that energy efficiency is the most cost-effective path to decarbonisation and that lowering the proposed EU overall target of 30% and the 1.5% target in energy savings would jeopardise the achievement of the EU's energy and climate commitments. He notes that the EU's commitments under the Paris Agreement are even more crucial now that the USA has withdrawn from the agreement.

## **ENERGY EFFICIENCY OF BUILDINGS**

The Council reached a general approach on a proposal for a revised directive on the energy efficiency of buildings ([10288/17](#)).

### [Press release on energy-efficient buildings](#)

The aim of the proposal is to promote energy efficiency in buildings and to support cost-effective building renovation with a view to the long-term goal of decarbonising the highly inefficient existing European building stock.

Another important feature of the revised directive is the promotion of electro-mobility. Electric vehicles constitute a key component of a clean energy transition based on alternative fuels, renewable energies and innovative management solutions.

The Commission reiterated the need for an integrated approach in energy efficiency legislation and would have wished for a more ambitious text.

## **CLEAN ENERGY PACKAGE**

The Council took note of a progress report on the legislative files under the Clean Energy package ([9578/17](#)), regarding in particular **electricity market design, energy from renewable sources and governance**.

The Clean Energy package has three main objectives: putting energy efficiency first, achieving global leadership in renewable energies and providing a fair deal for consumers.

The Presidency noted the successful conclusion of the legislative files on energy labelling and security of gas supply, which allowed the Council to focus on the energy efficiency directives.

The report summarises the main elements resulting from the Council's examination of the Commission's impact assessments, as well as the main topics discussed during the preliminary examination of the proposals which started in February of this year.

## Electricity market design

It includes proposals for a recast of the directive on **common rules for the internal market in electricity** ([15150/16](#) + [15150/16 ADD 1](#)), regulations on the **internal electricity market** ([15135/16](#) + [15135/16 ADD 1](#), [15135/16 ADD 2](#)) and on a **European Agency for the Cooperation of Energy Regulators** (ACER) ([15149/16](#) + [15149/16 ADD 1](#)), and a proposal for a new regulation on **risk preparedness** ([15151/16](#) + [15151/16 ADD 1](#)).

These proposals will enable the transition to a low-carbon economy by addressing factors such as increasing inflows of renewables, subsidy schemes, network access rights, storage solutions, the interplay with other types of energy generation (notably gas) and regional cooperation.

Member states broadly welcomed the entire package on electricity. The new legislation will allow for cross-border integration, empower consumers and provide incentives for necessary investments to fulfil the Union's obligations under the Paris Agreement on climate.

It is generally agreed that a well-functioning, integrated energy market is the best tool to guarantee affordable energy prices, secure energy supplies and allow for the integration of larger volumes of electricity produced from renewable sources in a cost-efficient manner.

With regard to the four impact assessments on electricity, the main issues raised by member states included:

- the establishment of Regional Operation Centres (ROCs) in relation to the role of Transmission System Operators (TSOs)
- rules on capacity mechanisms
- the provision of fair conditions for all technologies
- the phasing out of regulated prices
- interconnection specificities and security of electricity supply

## Renewable energy

The proposal for a revised directive on energy from renewable sources (15120/16 + ADD 1) sets out a **binding EU-level target of at least 27% renewable energy** in the Union's gross final consumption of energy in 2030. It addresses bioenergy/sustainability, transport, electricity, consumers, and heating and cooling.

Regarding the **impact assessment** the main issues raised by member states included:

- the annual 1% increase of the share of renewable energy in the heating and cooling supply
- the gradual increase in advanced biofuels
- administrative burden

On the **proposal** the main items addressed were:

- the partial opening-up of support schemes (10-15%) to generators of renewable energy
- the 'one-stop shop' for the entire permit-granting process
- infrastructure interconnections
- new sustainability criteria for forest biomass
- increased greenhouse gas savings requirements for advanced biofuels and their expected availability



## Governance

In the absence of nationally binding targets for renewables and energy efficiency for the period after 2020 (which the October 2014 European Council excluded) and in the context of the Paris Agreement, the proposed regulation on governance ([15090/16 ADD 1](#)) designs a **cooperation and control mechanism** to ensure that the objectives and targets of the Energy Union are jointly met and that the broad range of actions proposed in these and other areas make up a coherent and coordinated whole.

The control mechanism foresees that member states will submit integrated national energy and climate plans covering their objectives, policies and measures relating to all five dimensions of the Energy Union, including greenhouse gas (GHG) emissions reduction targets. These plans would cover the period 2021-2030 (and be renewed for every 10-year period thereafter).

Furthermore, the proposal requires that member states submit to the Commission biennial integrated national energy and climate progress reports (the first one being due by 15 March 2021). These reporting exercises should replace and streamline almost all existing reporting obligations in EU energy and climate legislation.

Several member states drew attention to the close links between the Governance proposal and the other Clean Energy Package files, in particular energy efficiency, and emphasised the need to ensure consistency when discussing the individual proposals.

Regarding the **impact assessment** the main issues raised by member states included:

- the linear trajectories for national shares of renewable energy and energy efficiency from 2021 to 2030
- administrative burden

On the **proposal** the main items addressed were:

- the deadlines for reporting draft and final integrated national energy and climate plans
- flexibility to account for national specificities
- obligations resulting from the Paris Agreement
- financing for renewables projects
- the methodology to measure the electricity interconnection target

## Interconnections

At the request of Portugal and Spain, ministers held an exchange of views on the state of play regarding interconnections and their role in the "Clean Energy Package ([10089/1/17 REV 1](#)).

Portugal and Spain argue that an essential part of the Energy Union is an interconnected European energy grid.

The October 2014 European Council called for "speedy implementation of all the measures to meet the target of achieving interconnection of at least 10% of their installed electricity production capacity for all Member States by 2020" and set a 15% interconnection target for 2030.

However, there are still missing interconnection links between several countries. Some countries are still far below the 10% interconnection target and will not be able to reach it by 2020, nor by 2025.

These member states wished therefore to discuss whether the clean energy package should include specific measures in this field, calling for a binding 10% interconnection objective, specific EU funding and a strong governance system in order to increase interconnections across the EU to adequate levels.

Several member states supported Portugal and Spain's concerns, underlining the importance of this issue, which will also contribute to energy efficiency and enhance the EU's energy security. Some of them also noted that the Connecting Europe Facility should be the main financing instrument in this area.

The Commission underlined that regional cooperation is crucial in this field, as well as the electricity market design and governance legislation.

i. Commissioner Cañete also announced that the Commission is intends to review the f TEN-E legislation and un update of the projects of common interest (PCI). Furthermore, it will submit a Communication on the 15% interconnection target by the end of 2017.

## **OTHER BUSINESS**

### **Nord Stream 2**

The Council was briefed by the Commission on its request for a Council mandate to open negotiations between the European Union and Russian Federation on the regulatory framework for the operation of the Nord Stream 2 pipeline.

This second pipeline would allow Gazprom to bring more Russian gas directly to Europe through the Baltic Sea, thus circumventing the existing transit routes, in particular through Ukraine.

This is a particular situation since the pipeline would start in a third country, have an offshore section under the sea and arrive in a member state.

The purpose of the mandate is therefore to establish a legal framework and ensure that the offshore and onshore part of the pipeline is operated in line with the core principles of international law and with EU energy legislation, in particular the third energy package, the security of gas supply, and environmental and competition rules.

Several member states welcomed the Commission initiative but expressed concerns that this project could jeopardise one of the Energy Union goals, namely diversifying supply sources and routes, and therefore endanger the EU's energy security.

The Commission invited member states to reflect on what their priorities would be for strategic infrastructure.

## **Developments in the field of external energy relations**

The Council was informed by the Commission about recent and upcoming developments in the field of external energy relations ([9990/17](#)), regarding in particular:

- China
- Japan
- the Eastern Mediterranean
- the Mediterranean
- Algeria
- Iran
- Africa and the Strategic Group for International Energy Cooperation
- the Clean Energy Ministerial
- IRENA (the International Renewable Energy Agency)

## **Work programme of the incoming Presidency**

The Council took note of information from the Estonian delegation on the priorities of the incoming Presidency for the next 6 months ([9992/17](#))

It intends to establish a strong link between its horizontal digital priority and the energy sector. and will propose a public-private partnership declaration on digitizing the energy sector

Furthermore , the Estonian Presidency will focus on ensuring progress on the remaining files of the clean energy package, such as electricity market design, renewables, and governance.

## **OTHER ITEMS APPROVED**

### **TRANSPORT, TELECOMMUNICATIONS AND ENERGY**

#### **Energy efficiency labelling**

The Council adopted a regulation on **energy efficiency labelling**, which allows customers to be more aware of the energy efficiency and energy consumption of household appliances, thus helping them to reduce their energy costs and contributing to the moderation of energy demand.

[Press release on clearer energy labelling](#)

### **FOREIGN AFFAIRS - DEVELOPMENT**

#### **Progress report on action plan on nutrition**

The Council adopted conclusions on the implementation of the Commission's action plan on nutrition, as highlighted in its second progress report.

The Council recalled the continued relevance of the action plan on nutrition adopted in July 2015, in particular of its three strategic priorities: to enhance mobilisation and political commitment for nutrition, to scale up actions at country level and to improve knowledge of nutrition.

Although it commended the Commission's active efforts to promote the nutrition agenda and to increase its funding for nutrition-related projects, the Council stressed its concerns over the fact that even today 155 million children under the age of five are stunted.

## **GENERAL AFFAIRS**

### **EU support for regions hit by natural disasters**

The Council adopted a regulation providing regions hit by earthquakes, floods or other natural disasters with increased [EU support](#). To help affected regions in the task of reconstruction, the EU will in future bear up to 95% of the costs. This almost doubles the EU's financial contribution for some regions from the current level of 50%.

For details, see the press release on [regions hit by natural disasters to get more support from EU](#)

### **Blue growth**

The Council adopted conclusions on blue growth as set out in [10662/17](#).

### **2014-2020 partnership agreements and programmes in cohesion**

The Council adopted conclusions on the European Court of Auditors' report entitled 'The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance'. The conclusions are set out in [10052/17](#).

## **FISHERIES**

### **Discard plan for certain small pelagic fisheries in the North Sea**

The Council decided not to oppose the adoption of a Commission delegated regulation that amends regulation no [1395/2014](#) establishing a discard plan for certain small pelagic fisheries and fisheries for industrial purposes in the North Sea ([9732/17](#)).

One of the key elements of the Common Fisheries Policy (CFP) is the gradual introduction of a landing obligation for all catches subject to catch limits. The landing obligation for industrial fisheries came into force on 1 January 2015 with Commission delegated regulation (EU) no 1395/2014<sup>2</sup> establishing a discard plan for certain small pelagic fisheries and fisheries for industrial purposes in the North Sea.

The new Commission regulation will lift the ban on the use of 'sprat box' fishing gears, as requested in a joint recommendation by Belgium, Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom.

As confirmed by advice from the International Council for the Exploration of the Seas (ICES), the use of sprat boxes in fishing is expected to reduce unwanted catches of herring, which are a by-catch of sprat.

## **TRANSPORT**

### **Technical standards for inland waterways**

The Council adopted a decision on the position to be taken on behalf of the EU within the European Committee for drawing up standards in the field of inland navigation (CESNI) and at the plenary session of the Central Commission for the Navigation of the Rhine (CCNR) on the adoption of standards concerning technical requirements for inland waterway vessels.

The relevant CESNI meeting will be held on 6 July 2017.

## **ENVIRONMENT**

### **Emissions allocations for the period from 2017 to 2020**

The Council decided not to oppose the adoption of a Commission decision to revise member states' annual emission allocations for the period from 2017 to 2020 ([8703/17](#) + [ADD 1](#)). The Commission decision amends [decision 2013/162/EU](#), specifically as follows:



- In article 2, decision 15/CP.17 of the Conference of the Parties to the United Nations Framework Convention on Climate Change is replaced by decision 24/CP.19, which confirms the global warming potential values from the fourth Intergovernmental Panel on Climate Change (IPCC) assessment report.
- Annex II is replaced by the annex to this Commission decision. It includes all member states' annual emission allocations (AEAs) for the years 2013 to 2020. However, the revision of AEAs only applies from 2017 to 2020, while for the years 2013 to 2016 the figures remain unchanged.

The Commission decision is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision, unless the European Parliament objects.

### **EU Ecolabel - converted paper products**

The Council decided not to oppose the adoption of a Commission decision to prolong the validity of the ecological criteria for the award of the EU Ecolabel to converted paper products until 31 December 2020 (8859/17). This Commission decision amends [decision 2014/256/EU](#), which expired on 2 May 2017.

The Commission decision is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision, unless the European Parliament objects.

The EU Ecolabel helps consumers identify products and services that have a reduced environmental impact throughout their life cycle, from the extraction of raw material to production, use and disposal. It is a voluntary label promoting environmental excellence.

## **Bathing water quality**

The Council decided not to oppose the adoption by the Commission of a decision to specify EN ISO 17994:2014 as the standard for the equivalence of microbiological methods ([9048/17](#)) for the purposes of directive [2006/7/EC](#).

The international standard ISO 17994:2004 has been replaced by a more recent version: ISO 17994:2014, 'Water quality - Requirements for the comparison of the relative recovery of microorganisms by two quantitative methods'. It introduces a number of technical updates to the terminology, provides clearer specifications and adds a new annex on technical calculations.

[Directive 2006/7/EC](#), which sets out provisions for the management of bathing water quality, still applies the previous standard ISO 17994:2004 under [Commission decision 2009/64/EC](#). The new Commission decision updates the standard to the new ISO 17994:2014.

The Commission decision is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision, unless the European Parliament objects.

## **RESEARCH**

### **EU-Mediterranean partnership for food and water projects: the 'PRIMA' initiative**

The Council adopted a decision approving the participation of the EU in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several member states ([PE-CONS 18/17](#); [statement by the Commission](#); [statement by the UK](#)).

Today's formal adoption follows an [agreement](#) reached on 11 April 2017 with the European Parliament.

PRIMA aims to foster research and innovation capacities and to develop knowledge and common innovative solutions for improving the efficiency, safety, security and sustainability of agro-food systems and of water provision and management in the Mediterranean area.

Currently, 19 countries have agreed to jointly undertake PRIMA by committing financial contributions:

- Croatia, Cyprus, France, Germany, Greece, Italy, Luxembourg, Malta, Portugal, Slovenia and Spain, among the EU member states
- Israel, Tunisia and Turkey, which are associated with Horizon 2020
- Algeria, Egypt, Jordan, Lebanon and Morocco

On 30 May 2017, the Council authorised the opening of negotiations with Algeria, Egypt, Jordan, Lebanon and Morocco to conclude agreements laying down the terms and conditions for their participation in the PRIMA programme ([9111/17](#)).

The PRIMA programme requires international agreements to be negotiated between the EU and third countries which are not associated with the EU's research framework programme 'Horizon 2020' in order to allow for their participation in PRIMA.

Funding for the PRIMA partnership will come from all the participating member states, which have committed over €200 million. It will be complemented by a contribution from the Horizon 2020 programme to the tune of €20 million.

PRIMA is scheduled to run for 10 years, starting in 2018.

### **Atlantic Ocean - Belém statement on international cooperation**

The Council approved a draft [statement](#) on research cooperation for the Atlantic Ocean with a view to its signing at a ministerial [conference](#) to take place from 12 to 14 July 2017 in Lisbon, Portugal.

The statement, which is to be co-signed by the EU, Brazil and South Africa, will reaffirm the importance of continuing and deepening international scientific cooperation in the South Atlantic.

## **EUROPEAN ECONOMIC AREA**

### **Amendment to Protocol 31 to the EEA agreement**

The Council adopted a decision on the position to be adopted, on behalf of the EU, in the EEA joint committee concerning an amendment to Protocol 31 to the EEA agreement ([10310/17](#)).

This decision enables the EEA EFTA states (Iceland, Liechtenstein and Norway) to continue cooperation on Union actions funded from the general budget of the EU regarding the free movement of workers, coordination of social security systems and measures for migrants, including migrants from third countries (budget line 04 03 01 03), which have been entered into the EU 2017 budget.

## **TRANSPARENCY**

### **Public access to documents**

On 26 June 2017, the Council approved:

- the reply to confirmatory application no 10/c/01/17 ([7756/17](#)).

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