



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 April 2014

8498/14

**USA 7
COTRA 17
ENER 153
WTO 131
PESC 368
RELEX 300
POLGEN 47
ENV 347**

NOTE

from: General Secretariat of the Council
to: Delegations

Subject: EU-US Energy Council, Brussels, 2 April 2014

Delegations will find annexed to this note the following document, which was issued at the EU-U.S. Energy Council in Brussels on 2 April 2014:

- EU-U.S. Energy Council Joint Statement.

EU-US Energy Council, Brussels, 2 April 2014

Joint Statement

1. The fifth EU-US Energy Council met today in Brussels, chaired by EU High Representative/Vice President Catherine Ashton, EU Commissioner for Energy Günther Oettinger, US Secretary of State John Kerry, and US Deputy Secretary of Energy Daniel Poneman. Minister Ioannis Maniatis of the Greek Ministry of Environment, Energy and Climate Change represented the rotating EU Presidency. The Energy Council, a forum on EU-US energy priorities, promotes transparent and secure global energy markets; fosters policy and regulatory cooperation on efficient and sustainable energy use; and pursues joint research and development on clean energy technologies. These actions boost economic growth and jobs, enhance energy security and international cooperation, and highlight the importance and urgency of tackling global energy and climate challenges.
2. Developments in Ukraine have brought energy security concerns to the fore and prove the need to reinforce energy security in Europe. The EU and the United States re-affirmed their condemnation of the illegal annexation of Crimea to Russia. The EU and United States recognised that our energy security concerns and those of our friends and partners pose common challenges, and are considering new collaborative efforts to address these challenges. The Council underscored that energy relations with Russia must be based on reciprocity, transparency, fairness, non-discrimination, openness to competition and continued cooperation to ensure a level playing field for the safe and secure supply of energy.

3. The Council affirmed its strong support for Ukraine's efforts to diversify its supplies of natural gas including through the rapid enhancement of reverse flow capacities, increased gas storage capacity, and decisive measures recently announced with the IMF to build a competitive energy economy. The Council also welcomed the firm commitment of the Ukrainian Government to transform its system of subsidised consumer energy prices into targeted measures that mitigate the impact of price increases on the poor and vulnerable. The EU and the United States will work with Ukraine and international partners to extend best international practice as Ukraine takes these steps. The EU and the United States also welcome the determination of the Ukrainian government to pursue energy efficiency, market transparency, and the long overdue restructuring and reform of Naftogaz. The Council emphasised that all near-term actions to improve Ukraine's energy security should be pursued in the context of a strategic vision of full integration into the European energy market. In this context, the Council reaffirmed its commitment to work with Ukraine on the legislative and regulatory reforms necessary to realise this vision and support it along its path.

4. The Council commended the efforts of the EU and of its Member States at the European Council of 20-21 March 2014 to address the issue of external energy dependency through a further diversification of supplies and routes, increased energy efficiency, smart grids, improving the opportunity for the integration of renewable energy into the network and increased production of domestic energy resources. The Council further welcomed the prospect of US LNG exports in the future since additional global supplies will benefit Europe and other strategic partners. The Council also welcomed the negotiations towards a comprehensive and ambitious Trans-Atlantic Trade and Investment Partnership (TTIP) whose early conclusion would further underscore the strategic significance of the transatlantic relationship.

5. The Council affirmed its commitment to support the EU's efforts to rapidly complete an integrated, common European energy market to bring the benefit of greater energy security and more competitive energy prices to all Member States and neighbouring states in the Energy Community. The recent adoption of EU Projects of Common Interest, along with the continuing efforts to develop harmonised network codes, will further reduce the vulnerabilities of EU Member States to supply disruption and diversify electricity and gas routes. The Council noted the importance of developing interconnections to put an end to any isolation of Member States from European gas and electricity networks by 2015. The Council further affirmed the importance of developing all energy sources in meeting European demand, as well as the need to increase energy efficiency efforts as a central element in European energy strategy.

6. The Council reaffirmed the importance of the Southern Gas Corridor to bring gas to Europe, urged for timely construction of a dedicated, scalable pipeline which keeps the options open for additional supplies, and agreed to explore investments to strengthen gas supplies to Central and Southeast Europe. The Council also recognised the Republic of Moldova's plans to interconnect its gas and power systems with EU networks.

7. The Council noted the shared objectives of the EU and United States in evolving energy policies in a manner that supports a transition to a low-carbon economy. The Council welcomed President Obama's Climate Action Plan and the work underway on the EU 2030 Climate and Energy Package to address key sources of greenhouse gas emissions in the United States and the European Union respectively. With respect to post-2020 climate action, the Council reaffirmed our mutual determination to work towards the adoption in Paris in 2015 of a protocol, another legal instrument or an agreed outcome with legal force under the United Nations Framework Convention on Climate Change applicable to all Parties, to strengthen the multilateral, rules-based regime. In that context, the Council committed to cooperate further to address the need for fuel diversification in emerging economies and the importance of transitioning to competitive, safe and sustainable low carbon energy systems, notably through further development and deployment of renewable energies, energy efficiency, and deployment of carbon capture storage and utilisation. Continued innovation and investment in these areas will bring benefits in terms of energy cost savings and jobs, and contribute to the fight against climate change. The Council welcomed the emphasis that many countries and international bodies, including the World Bank, the OECD and the G-20 place on the phase-out of inefficient fossil fuel subsidies. The Council underscored the importance of addressing energy access and energy poverty issues in developing countries in ways that are consistent with a global transition to a low carbon economy.

8. The Council underlined the importance of the continued co-operation in the Energy Council Working Groups on Technology and Policy, in particular the work on smart grids including energy storage, materials including critical materials, nuclear fusion and hydrogen and fuel cells in the framework of the Technology Working Group and on energy efficiency, nuclear and offshore safety, and unconventional hydrocarbons in the Policy Working Group, as well as under international nuclear energy research initiatives.

9. Given the inherently global nature of energy security, the EU and the United States welcomed the announcement that G-7 energy ministers will soon meet to discuss ways to strengthen collective energy security and chart a path forward for collaboration. The Council encouraged the G-7 energy ministers to discuss these and other critical energy security issues at their upcoming meeting and to work with the EU and other strategic partners to establish an actionable, sustainable path forward for collective energy security.
-