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**NOTE**

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**From:** General Secretariat of the Council  
**To:** Council

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**Subject:** Communication from the Commission on "A policy framework for climate and  
energy in the period from 2020 to 2030"  
- Policy debate  
= Delegations' replies

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Delegations will find in the Annex the replies received from CZ and NL to the Presidency questions, contained in document 10180/14, for the policy debate on the abovementioned proposal in the Council (Environment) on 12 June 2014.

**CZECH REPUBLIC**

The Czech Republic is fully supporting the efforts to reach an agreement on the basic elements of the 2030 climate and energy framework at the European Council in October. In this regard we would appreciate a resumé of progress achieved so far in elaborating the key elements as identified at the March Council, and also clear information on how the conclusions of today's debate will contribute to the process.

The Czech Republic is currently facing a significant challenge of energy sector transformation. In this regard it is of key importance that the framework is technologically neutral without compromising Member States' full control over their energy mix. Since the Czech Republic has a high share of industry, fully functioning EU ETS is essential to stimulate mitigation measures. High share of industry should be also taken into account in the distribution of efforts. Significant potential within our reach remains mainly in the buildings and industry sectors, which are our long-term priority. Regarding non-energy related emissions, the Czech Republic is concerned about emissions from waste, which have been steadily increasing since 1990 and stabilization of which will require additional measures. Another issue of concern are agriculture emissions, because we are expecting a rise in agriculture production levels as a consequence of prioritized food security and self-sustainability. Regarding land-use, land-use change and forestry we are expecting that the projected decrease in sinks could be stabilized by 2020. This sector is very specific and its prospective inclusion in the non-ETS target must be duly considered. In this regard, we appreciate that the Agriculture and Fisheries Council participates in this debate.

Regarding the much needed modernisation of the energy sector it is of key importance to set clear policy signals and provide long term stability to investors. Internal energy market without distortions and transparent state aid rules are also necessary to stimulate the investments to energy infrastructure. It is expected that lower income Members States will face higher costs and that must be reflected in the financial framework for this period. Besides the Structural and Cohesions funds, the European Investment Bank could also play an important role. We are ready to discuss various innovative instruments. However we need to ensure that these do not negatively affect the EU ETS, above all the carbon price. We are somewhat sceptical about instruments similar to the NER300, taking into accounts its performance up to now. There is no doubt that all possible tools for research and innovation financing must be used. Additional sources of finance are necessary above all for the Member States with high share of industry in GDP, which are likely to bear high costs of emissions reduction.

## **NETHERLANDS**

For the Netherlands, tackling emissions at the source is of great importance. This reduces greenhouse gases, encourages innovation and generates jobs. Within the Energy agreement for sustainable growth, the State cooperates with a broad group of stakeholders to reduce emissions from all sectors, including housing and transport. Given the need to reduce emissions from transport the Netherlands strongly advocates EU emissions policies for vehicles and certainly also for fuels. We need more efficient cars, more cars that run on alternative fuels, less CO<sub>2</sub> in fossil fuels and stable market conditions which enable the investment in sustainable and advanced biofuels. Without policies to encourage the reduction in CO<sub>2</sub>-emissions from fossil fuels we cannot realise the necessary reduction of emissions from the transport sector. The discontinuation of the CO<sub>2</sub> reduction target for transport fuels in the Fuel Quality Directive is a move in the wrong direction and should be corrected.

ETS is the most important building block of the climate policy as it is cost-effective and ensures a level playing field. The Netherlands can support the Market Stability Mechanism as part of the total package to strengthen the ETS. Aside from tightening the reduction factor, we must safeguard the competitiveness of the international industry by allocating free emission rights on the basis of actual production and realistic benchmarks.

Following the European Council in March we need clarity on the fair distribution of non-ETS targets among Member States. Cost-effectiveness must play an important part and all Member States must reduce their emissions. Climate policy and energy security go hand in hand: investing in more renewable energy, reducing energy use and improving interconnectivity. Challenge is to ensure sufficient capacity to distribute renewable energy throughout Europe and store temporary overcapacity for later use. For this we need to strengthen our energy infrastructure. Infrastructure can also contribute to more efficient transport systems. The Trans European Networks are an important instrument to link energy security and mobility to climate ambitions.

We must also put our money into encouraging innovation, for example through Carbon Capture and Storage pilots, and by creating dedicated funds under the European Investment Bank as this leverages funds from elsewhere. By doing this we meet our agreement to invest 20% of the EU budget in climate related measures. The important EU budgets already include the necessary criteria to spend funds on climate measures, now it is a question of actually doing this.

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