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**Transport, Telecommunications and Energy**

**Energy items only**

Luxembourg, 13 June 2014

President

**Yiannis MANIATIS**

Minister for Environment, Energy and Climate Change

# **P R E S S**

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## **Main results of the Council**

### ***Indirect land-use change***

*The Council reached a political agreement on the draft directive on indirect land-use change (ILUC) amending the 1998 fuel quality and 2009 renewable energy directives.*

### ***Follow-up to the 2014 March European Council***

*Ministers took stock of work conducted since the 2014 March European Council, with particular focus on energy security, interconnections, and the 2030 climate and energy framework in general. The presidency will report to the President of the European Council on the outcome of the debate with a view to the European Council meeting on 26 and 27 June 2014.*

### ***Energy prices, protection of vulnerable consumers and competitiveness***

*The Council adopted conclusions on energy prices and costs, the protection of vulnerable consumers and competitiveness. The conclusions address three aspects: the internal energy market, the external dimension and consumers.*

### ***International relations in the field of energy***

*The Council held a policy debate on the value of multilateral energy frameworks. Discussions focused on existing multilateral energy frameworks: the Energy Community, the Energy Charter Treaty and the International Energy Agency. They also addressed the issue of energy cooperation in the Mediterranean. The importance of the further development of these multilateral frameworks was underlined, as well as the importance of achieving the great potential of energy cooperation in the Mediterranean area, for the benefit of the EU's energy security and energy diversification. In addition, the presidency and the Commission briefed the Council on recent developments in the field of external energy relations.*

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### **OTHER ITEMS APPROVED**

*none*

<sup>1</sup>

- 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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Mr Edward DAVEY

Secretary of State for Energy and Climate Change

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**Commission:**

Mr Günther OETTINGER

Member

## **ITEMS DEBATED**

### **Indirect land-use change**

Today's Energy Council reached a political agreement on the draft directive on indirect land-use change (ILUC) amending the fuel quality (98/70/EC) and renewable energy (2009/28/EC) directives ([10300/14](#) + [10300/14 COR 1](#)).

The aim of the proposed directive is to start a transition to biofuels that deliver substantial greenhouse gas savings when provisional estimated indirect land-use change emissions are also reported, while existing investments should be protected.

In December 2013, the Energy Council examined a presidency compromise text of this draft directive. However, there were still some outstanding issues. Therefore, the Council's preparatory bodies continued to work on the proposal with a view to facilitating political agreement.

The Hellenic presidency focused on two aspects in its compromise text: a stronger encouragement for advanced biofuels, while leaving flexibility for member states, and some additional elements to reflect considerations on estimated ILUC emissions and the possible impact of EU policies on biofuels as regards the environment and cross-compliance in respect of agriculture and climate policies.

The agreement acknowledges and addresses the ILUC phenomenon, starts a transition to biofuels with lower ILUC risks and provides a clearer investment perspective while protecting investments already made.

See press release [7550/14](#).

## **Follow-up to the 2014 March European Council**

In a public deliberation, the Council took stock of work conducted since the 2014 March European Council. This item was structured in three parts:

- presentation by Commissioner Oettinger on the progress achieved towards completion of the internal energy market, providing that the Commission's report will be adopted after the Council meeting;
- presentation by the Commission of its recent Communication on a European Energy Security Strategy;
- policy debate, addressing energy security, interconnections, and the 2030 climate and energy framework in general.

To structure the debate, ministers focused their discussions on three questions proposed by the presidency ([10299/14](#)): energy security, interconnections, and the 2030 climate and energy framework in general. The presidency will report on the outcome of today's debate, in connection with the outcome of yesterday's debate in the Environment Council, to the President of the European Council with a view to the European Council meeting on 26 and 27 June 2014.

Ministers' comments on energy security confirmed what had emerged from the Informal Energy Ministers Meeting last May (See the main lines of action on energy security in Annex II to [10299/14](#)). The orientations suggested by the Commission on Energy Security were well received. Some delegations proposed some additional suggestions calling for further examination.

As regards interconnections, all delegations agreed that more needs to be done to achieve a truly interconnected internal market as well as to strengthen energy security, including in order to face short-term emergency situations. The role of projects of common interests was confirmed in this respect. Without prejudice to the completion of the whole list of projects, ministers stressed the need to accelerate those of more immediate relevance to security of supply. It became clear that projects aiming at diversification should be in compliance with EU legislation.

Regarding the setting of interconnection objective(s), ministers acknowledged that the concrete modalities and criteria for defining such objective(s) call for further reflection.

As regards the 2030 framework, several delegations still expect clarifications from the Commission on certain aspects of the proposal in order to commit to specific targets.

Given that energy efficiency contributes to the EU's energy and climate objectives, it is important to reaffirm the support to policies aiming at reducing energy waste, as promoted not only by the energy efficiency directive but also by the eco-design and energy labelling directives

## European Energy Security Strategy

The Commission presented to ministers its recently adopted communication ([10409/14](#)), drawn up at the request of the March 2014 European Council ([EUCO 7/14](#), point 20). The Commission updated ministers on recent developments concerning the ongoing trilateral meetings with Ukraine and Russia.

The communication outlines the well-known facts about EU energy dependency and concludes that the EU remains vulnerable to external energy shocks. The EU therefore needs a strategy for energy security which promotes resilience to these shocks and disruptions to energy supplies in the short term as well as reduced dependency on particular fuels, energy suppliers and routes in the long-term. The strategy sets out areas where decisions need to be taken or where specific measures need to be implemented in the short, medium and longer term to respond to energy security concerns.

## 2030 climate and energy framework

The Commission communication on the 2030 climate and energy framework ([5644/1/14 REV 1](#)), presented on 22 January, suggests a framework for future EU energy and climate policies and is intended to launch a process to reach a shared understanding of how to take these policies forward in the future.

The main elements of the proposed framework include:

- a greenhouse gas emissions reduction target of 40% below 1990 levels, to be achieved through domestic measures only (without the use of international credits);
- a renewable energy target of at least 27% of energy consumption, with flexibility for member states to set national objectives;
- energy efficiency as a key component of the 2030 framework: a review of the energy efficiency directive will be concluded later in 2014.

The Commission also outlines a new governance system based on national plans for competitive, secure and sustainable energy to be drawn up by member states. In addition, it proposes a set of indicators intended to assess progress over time and to provide a factual basis for a potential policy response.

Some convergence of views has emerged regarding the principles which could underpin the governance process envisaged for the implementation of the 2030 framework (see Annex I to [10299/14](#)).



## **Energy prices, protection of vulnerable consumers and competitiveness**

The Council adopted conclusions on energy prices and costs, the protection of vulnerable consumers and competitiveness ([10225/14](#)).

The conclusions are based on the Commission's communication on energy prices and costs in Europe ([5599/1/14 REV 1](#)), presented in January 2014 in response to a request by the European Council of May 2013 (EUCO [75/1/2013](#), page 5). The communication provides an in-depth analysis of European energy prices, costs and competitiveness. A policy debate held by ministers on the same topic at the March Energy Council was also considered in the conclusions.

The conclusions focus on energy prices and costs without prejudice to future initiatives to be taken in other areas, in particular, the 2030 climate and energy framework and EU energy security. The conclusions cover three parts: internal energy market, external dimension and consumers.

The internal energy market: the Council reaffirms, for instance, the urgent need to complete the internal energy market by 2014 and develop interconnections so as to put an end to any isolation of member states from European gas and electricity networks by 2015. It calls for the effective application and enforcement of EU rules on market integration and further cost-effective measures on energy efficiency in the whole energy chain while striving for a level playing field for companies operating within the EU. In addition, the Council stresses the need for all relevant sectors to reduce their energy consumption by improving energy efficiency based on cost-effective energy saving measures.

The external dimension: the Council stresses, for instance, the importance of ensuring a level playing field and of mitigating the energy costs differential with competitors in third countries. Furthermore, the Council calls for a coherent approach in the EU's energy relations with third countries. It stresses the need for the Commission and the member states to examine ways of strengthening the bargaining power of the EU and its member states vis-à-vis external suppliers.

Consumers: the Council underlines, in particular, the importance of strengthening the role, rights and awareness of consumers. It focuses, too, on the importance of the following options designed to combat energy poverty and to assist vulnerable consumers:

- promotion of energy efficiency and energy savings as a key element to protect vulnerable consumers in the long-term,
- targeting the policy measures at those who truly need support,

- accurate identification of vulnerable consumers in order to identify a common understanding of factors which may increase the risk of consumers being vulnerable in the energy market,
- rules to prevent disproportionate disconnection of energy supply,
- improving access to adequate information to enhance the choice of supplier and possibility to switch supplier and, finally,
- clarification and strengthening of the role of key stakeholders so to improve the situation for vulnerable consumers.

Finally, the Council calls for a follow-up review by the Commission on energy prices and costs and on consumers by 2016.

## **International relations in the field of energy**

The Council held a policy debate on the value of multilateral energy frameworks.

Discussions focused on existing multilateral energy frameworks: the Energy Community, the Energy Charter Treaty, the International Energy Agency. They also addressed the issue of energy cooperation in the Mediterranean. In view of the current political and economic situation, the discussion focused mainly on the next steps in the development of these multilateral frameworks and on the Mediterranean area.

The presidency prepared a note ([9763/14](#), [9763/14 COR 1](#)) on the current state of play of the topics discussed and proposed questions for the debate.

The input from the debate will help the incoming Italian presidency in developing the Council's position on all these issues. The importance of further developing these multilateral frameworks was underlined, as well as the importance of achieving the great potential of energy cooperation in the Mediterranean area, for the benefit of the EU's energy security and energy diversification. All these areas should be part of the EU's new Energy Security Strategy.

The presidency and the Commission briefed the Council on recent developments in the field of external energy relations ([9616/14](#)).

The briefing included, amongst other issues: the EU-OPEC Energy Dialogue (Brussels, 24 June), developments regarding the Southern Gas Corridor, EU-Ukraine relations, the fifth EU-US Energy Council (Brussels, 2 April), the International Energy Agency, the Strategic Group for international energy cooperation (Brussels, 10 April), the EU-India Energy Panel (Brussels, 27 March), the EU-Brazil Energy Policy Dialogue (Brussels, 26 February) and the 11th meeting of the Eastern Partnership Platform on energy security (Brussels, 23 June).

## **OTHER BUSINESS**

### **Nuclear safety**

The Commission briefed the Council on recent developments in the nuclear regulatory framework ([10234/14](#)). Ministers were also informed of the agreement on the revised nuclear safety directive reached in the Working Party on Atomic Questions on 28 May 2014. See press release [10721/14](#).

### **Work programme of the incoming presidency**

The Italian delegation presented the incoming presidency's work programme for the energy sector ([10236/14](#)).

The Italian presidency will focus in particular on the 2030 climate and energy framework, energy security, the completion of the single energy market and external energy policy. It will also try to advance and possibly finalise the indirect -land use change directive.

The informal ministers' meeting will take place in Italy on 6 October 2014 and the Energy Council on 9 December 2014 in Brussels.

**OTHER ITEMS APPROVED**

*none*

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