



Council of the
European Union

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From: General Secretariat of the Council
To: Permanent Representatives Committee

Subject: ***Preparation of the Council meeting (Transport, Telecommunications, Energy) on 5 March 2015***
Energy infrastructure: developments and priorities
- Policy debate

I. INTRODUCTION

The European Council on 26-27 June 2014 noted that, in line with the objective of completing the European energy market by the end of 2014, interconnectivity must be increased and European energy market should be further implemented and integrated based on a regional approach. The European Council also underlined the importance of fostering missing infrastructure, to put an end to any isolation of Member States from European gas and electricity networks by 2015.

The European Council on 24 October 2014 noted the fundamental importance of a fully functioning and connected internal energy market and stressed that all efforts must be mobilised to achieve its completion as a matter of urgency. The Commission supported by the Member States should take urgent measures in order to ensure the achievement of a minimum target of 10% of existing electricity interconnections by 2020 and the Commission should monitor progress and report to the European Council on all possible sources of financing including on the possibilities of EU financing in order to ensure that the 10% target will be met. The Commission should also report regularly to the European Council with the objective of arriving at a 15% target by 2030, as proposed by the Commission. Moreover, the Commission was invited to present a Communication ahead of the March 2015 European Council on the best courses of action to effectively achieve the 10% target of existing electricity interconnections.

A fully functioning, interconnected and integrated market will be an important element of the Energy Union and it plays an essential role for successful implementation of the EU Energy Security Strategy and the Investment Plan for Europe. Moreover the Annual Growth Survey 2015 stresses that further structural reforms in energy markets are necessary to achieve a resilient Energy Union with a forward-looking climate change policy and stresses that this requires *inter alia* modernising and extending energy infrastructure.

In its conclusions of 18 December 2014, the European Council called on the Commission to present a comprehensive Energy Union proposal ahead of the March 2015 European Council. It is expected to be presented by the Commission on 25 February 2015. Together with this proposal the Commission will present its Communication "Achieving the 10% electricity interconnection target - Making Europe's electricity grid fit for 2020".

II. QUESTIONS FOR THE POLICY DEBATE

Following the above, the Presidency suggests the following questions in order to structure the policy debate on energy infrastructure at the meeting of the Council (TTE - Energy) on 5 March 2015:

1. Having in mind the fundamental importance given by the European Council to the achievement of a fully functioning European internal energy market, what key measures would the Energy Ministers suggest to further promote the efficient implementation of an interconnected cross-border energy market, including ending energy isolation of Member States?
2. To what extent do Energy Ministers consider that regional cooperation can facilitate the achievement of the minimum target of 10% of existing electricity interconnections, as set out in the European Council conclusions?
3. In which way do Energy Ministers think that the investment climate could be improved for the energy sector, especially in the context of the setting up of the European Fund for Strategic Investments (EFSI), the Connecting Europe Facility (CEF) Regulation and the strategy for the Energy Union?

These questions are without prejudice to other important topics that Energy Ministers might wish to address in the context of their considerations on energy infrastructure developments and priorities. In order to keep the debate as focused as possible, delegations at the Council will be invited to concentrate their interventions on their key messages and provide additional elements in writing.

The Presidency intends to use the outcome of the discussion to feed into the Presidency's synthesis report on Europe 2020 Strategy.

III. CONCLUSION

The Permanent Representatives Committee is invited to confirm that the questions under section II can serve as a basis for the policy debate on energy infrastructure to be held at the TTE (Energy) Council on 5 March 2015.