



Brussels, 20 March 2015
(OR. en)

7343/15

ENER 104

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy = <i>Draft Council conclusions: preparatory steps and tentative timetable</i>

I. Introduction

On 25 February 2015, the Commission presented the above Communication. This Communication was prepared in response to the request of the European Council and provides an overarching approach how to achieve a fundamental transformation of Europe's energy system. The main aim of implementation of actions suggested by the Framework Strategy is to give EU consumers - households and businesses - secure, sustainable, competitive and affordable energy.

With a view to the preparation of draft Council conclusions for the June TTE Council and based on the Commission's Communication and European Council conclusions of March 2015, the Presidency suggests two possible topics: empowering of consumers and attracting investments. These two topics are horizontal and equally important for implementation of all five dimensions of the European Energy Union. The Presidency also suggests a tentative list of specific issues to be developed for each of the two themes. This tentative list of topics does not prejudice the issues which will ultimately be retained for draft conclusions, nor the direction of any such elements. Therefore, before circulating a first set of draft Council conclusions, delegations' comments are sought, **by 31 March**, on the topics presented under section II.

The timetable in Annex sets out the main steps in the run up to the June TTE (Energy) Council.

II. Implementation of the Framework Strategy for Energy Union: empowering consumers and attracting investments

Possible topics for Council conclusions

1. Introduction:

- European Council Conclusions of 19-20 March 2015 and 23-24 October 2014.
- Commission's Communications: Framework Strategy for a Resilient Energy, Energy Security Strategy, Energy prices and costs in Europe;
- Council Conclusions: Completion of the Internal Energy Market (December 2014), Energy prices and costs, protection of vulnerable consumers and competitiveness (June 2014);
- the goal of a resilient Energy Union is to give EU **consumers** - households and businesses - secure, sustainable, competitive and affordable energy;
- the importance of the **investment climate** and **access to financing** in the energy field;
- the **five dimensions** of Energy Union that are closely interrelated and mutually reinforcing;
- need for a reliable and transparent **governance** system without unnecessary administrative burden;
- fundamental importance of a fully functioning and connected **internal energy market**;
- need to reduce the EU's energy dependence and increase its **energy security**;
- October 2014 agreement regarding Climate and Energy Package 2030 especially regarding **energy efficiency** and **renewable energy sources**.

2. **Consumer-oriented implementation of five dimensions of Energy Union:**

- the importance of ensuring stable, competitive and affordable **energy prices**;
- the importance of the dynamic **internal energy market** that would best ensure the needs of consumers; the need to fully implement and enforce existing EU legislation, including 3rd Internal Energy Market Package; the need to tackle energy poverty and enhance protection of vulnerable consumers; the need to empower consumers with possibilities to participate actively in the energy market in order to increase both, supply- and demand- side flexibility of the market, and to enable the consumers to control their energy consumption and to participate in demand response solutions;
- the importance of **energy security** and secure supplies; wide spectrum and different costs of solutions available for increasing energy security;
- the importance and broad positive aspects of **energy efficiency**; the need for further development of legislation that would open the potential of EE; the importance to engage all stakeholders in the implementation of different energy efficiency measures; the need to ensure that consumers have information and financial incentives for saving energy.
- the importance of long term benefits of **decarbonisation**; the importance of the effective integration of renewables in the market;
- the importance of further **R&D** in the energy sector; the need to promote the further development of smart appliances and smart grids.

3. **Incentivising investments in the energy sector:**

- the need for **stable and predictable investment framework**;
- the need for major investments in generation, networks and energy efficiency, therefore **access to financing is the key issue that needs to be solved**;
- the role of streamlining and prioritising of the energy investments; the role of reduction of red tape; the importance of evaluation of short term and long term benefits;

- the potential of regional planning and the need to look for cross-sectoral investment saving possibilities;
- the role of public financing that should be used only where this is the only option; the role of CEF, EUSF and EFSI in facilitating access to finance for projects;
- the need for EU reinforced support in **infrastructure projects** and **diversification projects**;
- the need for **energy market reforms** that would incentivise investments and ensure predictability;
- the need to step up financial support for **energy efficiency** measures ; the need to facilitate investments in the priority sectors of energy efficiency, *inter alia* in heating and cooling;
- the importance to ensure stable investment framework in the sector of **renewable energy**, that would reduce regulatory risks while facilitating market integration and avoiding risks of overcompensation, and retain Europe's leading role in investment in renewable energy;
- the need for adequate instruments to build up investment in **research and innovation** and bringing new technologies to the market in the EU, that would bring jobs and growth.

4. Next steps

(To be developed)

TENTATIVE TIMETABLE**draft Council Conclusions on Implementation of Energy Union Strategy:****Empowering Consumers and Attracting Investments**

19-20 March	European Council
23 March	circulation of outline
31 March	deadline for written comments on outline
10 April	circulation of 1st draft conclusions
21 April	EWP: examination of 1st draft conclusions
22 April	deadline for written comments on 1st draft conclusions
24 April	circulation of 2nd draft conclusions
28 April	EWP: examination of 2nd draft conclusions
29 April	deadline for written comments on 2nd draft conclusions
8 May	circulation of 3rd draft conclusions
12 May	EWP: finalisation of draft conclusions
19 May	<i>Coreper I</i>
8 June	TTE (Energy) Council