



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from:	General Secretariat of the Council
to:	Delegations
No. prev. doc.:	18013/13 ENER 588 POLGEN 270
Subject:	European semester 2014/Annual Growth Survey 2014 - Exchange of views

With a view to facilitating the exchange of views on the above subject (preparation of a contribution on Energy aspects), to be held at the Energy Working Party on 21 January, delegations will find attached a brief tentative summary of the written contributions received until now. It should be noted that some of the issues highlighted in the annex could have been included under either of the two questions raised.

Delegations' written contributions will be synthesized together with any additional oral interventions at the above Energy Working Party. The contributions will then feed into the overall report on Europe 2020 due to be presented to the General Affairs Council on 11 February 2014 in preparation of the March European Council.

European semester / Annual Growth Survey**Preparation of a contribution on Energy aspects**

In light of the Commission's considerations outlined in doc.18013/13, and taking into account the priorities identified by the December **European Council** for the 2014 Semester, delegations were invited to reply to the questions below.

1. *Whether delegations concur with the Commission assessment as regard the main obstacles to the achievement of the Europe 2020 energy objectives? Are there any other issues to be assessed in this respect?*

In general, delegations agree with the Commission assessment of the main obstacles to the achievement of the European 2020 energy objectives. In this regard, the following main issues were presented by delegations:

- delegations stressed the necessity of fully transposing and implementing the 3rd energy package as being essential for the completion of the internal energy market.
- delegations referred to the lack of sufficient infrastructure, including existing bottlenecks, and to cross-border tariffs, as being a main obstacle to the proper functioning of the internal energy market and preventing a more rapid increase in European interconnection capacity. Therefore it is necessary to create adequate incentives for the timely long-term investments of infrastructure which are crucial for the realization of the internal energy market, the expansion of renewable energy (some delegations pointed out that the renewable energy resource support schemes should be in line with the Commission guidelines) and to secure energy supply. In this context the list of Projects of Common Interest was mentioned as a useful instrument.
- while considering the transition to a competitive low-carbon economy in Europe, the promotion of energy efficiency measures and renewable energy are seen as important tools to achieve the European environmental and energy policy objectives. This would also contribute to reducing the dependence on imported fossil fuel and thus contribute to the enhanced competitiveness of European industry and constitute an incentive for sustainable growth and innovation of the European industry.

- market signals are considered important factors for energy pricing, however, due account must be taken to the various characteristics of Member States.
- rapid adoption and implementation of electricity and gas Network Codes are being essential for the process of developing the internal energy market.

2. *Which measures in the energy sector have the biggest potential to contribute to growth and competitiveness and should thus be prioritised?*

- the support to investments in energy infrastructure (including in generation capacity), energy efficiency and renewable energy.
- the completion of the internal energy market by 2014.
- ambitious and timely implementation of the Energy Efficiency Directive.
- raising consumers' awareness
- capacity mechanisms need to be designed and implemented, however carefully and with extreme caution, to support a better functioning of the internal energy market (it was also pointed out that the Commission guidance would be helpful in this regard and that the Commission should continue to work with Member States on this issue).
- closer cross-border cooperation on energy.
- the support to low-carbon technologies and power generation
- support energy-related R & D & I
- the implementation of the Projects of Common Interest.
- stability and affordability of energy prices.
- revision of the Guidelines on environmental and energy State aid and General Block Exemption Regulation to ensure cost-effective investment support.
