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INFORMATION NOTE

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Subject: Any other business

Recent developments in the field of external energy relations

- Information from the Commission

Delegations will find attached factual information on recent and upcoming events and developments relating to the item "Recent developments in the field of external energy relations" on the agenda of the TTE (Energy) Council on 19 December 2018.

a) EU-US Energy Council meeting

The eighth transatlantic EU-U.S. Energy Council met in Brussels on 12 July 2018. It was co-chaired by the High Representative of the EU for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica Mogherini, European Commission Vice-President for Energy Union, Maroš Šefčovič, European Commissioner for Climate Action and Energy, Miguel Arias Cañete, US Secretary of State, Mike Pompeo and US Secretary of Energy, Rick Perry. The Austrian Presidency of the Council of the European Union was represented by Juliane Bogner-Strauß, Federal Minister within the Federal Chancellery for Women, Families and Youth.

This was the first meeting of the Energy Council with the Administration of President Donald J. Trump and allowed for a substantial exchange of views on the opportunities for transatlantic energy cooperation. The discussions focused on energy infrastructure, innovation and transitions as well as on energy security. There was agreement that the working groups under the Energy Council will meet again to take forward EU-U.S. cooperation. The Technology Working Group met on 30 November 2018 and the Energy Policy Working Group, with a particular focus on LNG, met on 7 December.

b) Joint Declaration on the International Solar Alliance

On 11 December 2018, at the COP 24 in Katowice, Poland, Commissioner Arias Cañete signed on behalf of the European Union together with the Director General of the International Solar Alliance (ISA), Mr Tripathy, a Joint Declaration for cooperation on solar energy.

ISA was conceived, by France and India, as a deliverable of the COP 21 to implement the Paris Agreement. The mission of the International Solar Alliance is to provide a dedicated platform for cooperation among solar resource rich countries where the global community, including bilateral and multilateral organisations, corporates, industry, and other stakeholders, can make a positive contribution to assist and help increase the use of solar energy in meeting energy needs in a safe, convenient, affordable, equitable and sustainable manner.

The EU and its Member States are already key actors in the development of the solar energy technology and usage. The EU is also currently funding development cooperation projects in solar energy in a number of ISA member countries. By pooling together the existing knowledge and best practices identified in EU funded projects, in and outside the EU, the EU and its Member States can make a positive contribution to the ISA to become a platform of exchange and a repository of knowledge on solar energy as it aims to be.

c) Energy Community

The Ministerial Council and the Permanent High Level Group of the Energy Community met on 28 and 29 November 2018 in Skopje.

On this occasion, the EU mandate on reciprocity (mutual rights and obligations) was announced, paving the way for intense negotiations in the first quarter of next year on Treaty amendments.

In these meetings, numerous important acts were adopted, in particular: General Policy Guidelines on the 2030 Targets for the Contracting Parties of the Energy Community; a decision on the implementation of Regulation (EU) 2017/1369 setting a framework for energy labelling, and certain Delegated Regulations on energy-related products; decisions on the implementation of Regulation (EU) 1227/2011 on wholesale energy market integrity and transparency (REMIT) and two network codes in the field of gas; a decision on the establishment of the list of Projects of Energy Community Interest (PECIs) and a recommendation on Projects of Mutual Interest (PMIs) between Contracting Parties of the Energy Community and Member States of the European Union; and decisions concerning dispute settlement cases.

The Ministerial Council also adopted three procedural acts (establishment of a Coordination Group of the Energy Community System Operators for Electricity, establishment of an Energy Community Coordination Group for Cyber-Security and Critical Infrastructure, Rules of Procedure of the Energy Community Parliamentary Plenum meetings) and extended the mandate of the Director of the Energy Community Secretariat.

d) EU-Africa High Level Platform for Sustainable Energy Investments

On 8 November 2018, the EU-Africa High Level Platform for Sustainable Energy Investments in Africa was successfully launched in the presence of President of Guinea Alpha Condé and the President of the African Development Bank Akinwumi Adesina, and Commissioner Bienkowska, during the Africa Investment Forum organised by the Africa Development Bank in Johannesburg, South Africa. Several Energy Ministers (Egypt, Namibia, Chad, Niger, Norway), private sector representatives (Iberdrola, ENI, Siemens-Gamesa, ENEL, ABB, ACS-Cobra, Abengoa as well as new businesses or start-ups such as Africa GreenCo, Aenergia UK etc) and financial institutions (EBRD, EIB, AFD, KfW) participated in the different panels.

The High Level Platform was developed in response to the African Union-European Union Summit call in November 2017 for greater efforts to establish the right business framework to attract responsible and sustainable investment to Africa. The Platform is a first concrete action implementing the new EU Africa Alliance for Sustainable Investments and Jobs (and its reference to a sectoral task force on energy) announced by President Juncker in his 2018 State of the Union Speech.

The High Level Platform will bring together African and European public, private and financial sectors, as well as academia, to examine challenges and strategic interests to boost public and private investments with a focus on job creation and to prioritise sustainable energy policies and regulatory reforms. It will be supported by thematic working groups to identify and prepare recommendations on key areas such as:

- i) sustainable energy investments with high impact on inclusive growth and job creation,
- ii) regulatory framework and business climate including capacity building needs, and
- iii) business to business and networking.

The Platform will be used to share the European experience in regional integration and standards and promote further exchanges between European and African actors such as regulators.

e) Egypt

Since the signature of the Memorandum of Understanding on a Strategic Partnership on Energy between Egypt and the EU in April 2018, cooperation work with Egypt has made good progress. On 19 September, Egypt signed an intergovernmental agreement with Cyprus concerning a direct submarine natural gas pipeline. Minister of Electricity and Renewable Energy Shaker took part in the launching event of the EU-Africa High Level Platform for Sustainable Energy Investments in Africa on 8 November in Johannesburg, South Africa, and underlined the willingness of Egypt to be a driving force in the works of the platform. Finally, work is ongoing to implement the Memorandum of Understanding on a Strategic Partnership on Energy between Egypt and the EU.

f) East Med gas

On 19 September 2018, the Republic of Cyprus and the Arab Republic of Egypt signed an intergovernmental agreement concerning a direct submarine natural gas pipeline. This agreement forms part of the effort of the countries of the Eastern Mediterranean region to explore common solutions to bring the significant gas resources detected in the region to the markets. During the signing ceremony on 19 September 2018, the Commission reiterated the EU's support for the development of the region into a natural gas hub and a future provider of natural gas in the EU, which could contribute to the EU's policy of energy diversification. Prior to the signature, the intergovernmental agreement was assessed by the Commission with respect to its compliance with Union law, in accordance with Decision (EU) 2017/684.

g) EU-Algeria High Level Energy Dialogue

Commissioner Arias Cañete met with the Algerian Minister of Energy Mustafa Guitouni in Alger on 20 November. The visit was the opportunity to relaunch the EU-Algeria Energy Strategic Partnership. The Commissioner and the Minister agreed a roadmap of dialogue and cooperation initiatives to be carried out in 2019, focusing on the promotion and facilitation of European investments in the Algerian gas and renewable energy sectors. The role of the Euro in mutual energy relations was also discussed.

h) High-level seminar with Iran

The third EU-Iran High-level Seminar on International Nuclear Co-operation: Achievements and Prospects was held in Brussels on 26-27 November 2018.

Organized jointly by DG ENER and the EEAS and opened by Commissioner Cañete and the Iranian Vice-President Salehi (also head of the Atomic Energy Organisation of Iran), the seminar was an opportunity for the EU to reaffirm its continued support for the JCPOA, particularly in the area of civil nuclear co-operation as outlined in JCPOA Annex III, as long as Iran will continue to implement all of its commitments. Members of the Iranian Parliament, senior representatives of the European Commission, the Ministry of Foreign Affairs of Iran, the International Atomic Energy Agency and observers from E3+2 countries participated in the seminar.

Vice President Salehi noted the Iran's genuine commitment to the continuation and deepening of engagement with the EU in this field. He emphasised the need for reaching new tangible results.

Both parties identified a number of future joint activities related to the nuclear governance framework, as well as research and training related to nuclear safety and radiation protection. These activities will include the organisation of seminars on international nuclear law and on reporting under the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, participation to key European nuclear stakeholder conferences, sharing of experience and methodology for performing nuclear stress-tests at the Bushehr nuclear power plant, enhanced collaboration in the field of R&D, a further package of safety related projects financed under the **Instrument for Nuclear Safety Co-operation**, as well as organisation of a stakeholders' conference to leverage international support for the establishment of the Nuclear Safety Centre in Iran. Participants also agreed to continue to implement the agreed roadmap on R&D co-operation, including a joint project on radioactivity measurement capabilities.

i) OPEC

On 22 November 2018, in Brussels, Commissioner Arias Cañete met OPEC Secretary General Barkindo together with representatives from the EU Presidency, senior officials from the EU and the OPEC Secretariat. Discussions focused on the latest developments of EU energy and climate policies, the Clean Energy for All Europeans Package, the EU energy scenarios to 2030 and the upcoming EU Long Term Decarbonisation Strategy. Participants underlined the importance of OPEC for EU and global security of supply as well as the necessity to keep oil prices stable, also for emerging countries where high prices often lead to currency devaluation.

OPEC presented short-term oil market prospects and the long-term perspective up to 2040, by when OPEC expects fossil fuels to remain the dominant fuels with oil representing 28% of the energy mix (gas and coal respectively 25 and 22%). OPEC also expressed concerns on the severe contraction of investments in exploration and production in the years to come, which could lead to a situation where the level of oil supply would not be able to match the oil demand.

The increasing role of the Euro in financial energy transactions between the EU and its energy suppliers and its impact on the oil markets was also discussed and will become part of the EU-OPEC Energy Dialogue. A joint EU-OPEC workshop on the role of the Euro in financial energy transactions will be organised in the first half of 2019.

j) G20

At the G20 Summit in Buenos Aires from 30 November to 1 December 2018, after intense negotiations all leaders agreed on an energy-specific paragraph in the G20 Summit Communiqué. It contains compromise language in order to achieve a balance acceptable to all parties. The text makes the necessary references to energy transitions, energy access, energy efficiency, renewable energy, energy security and sustainability. The reference to “cleaner” energy sources is new (previously, the G20 only referred to cleaner energy systems and cleaner technologies) and the combination with “sustainable” is a useful qualification in this context. Another new important element is that the leaders acknowledged the role of all energy sources and technologies in the energy mix.

The incoming G20 presidency Japan will hold a G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth on 15-16 June 2019 in Karuizawa-Machi.