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OUTCOME OF THE COUNCIL MEETING

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Transport, Telecommunications and Energy

Energy

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President Elisabeth Köstinger

Federal Minister for Sustainability and Tourism of Austria

PRESS

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[•] 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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ITEMS DEBATED

Clean Energy Package

The presidency informed the Council about the state of play of the legislative process on the seven files under the clean energy package that have not yet entered into force. In the ensuing discussion the presidency was widely congratulated by ministers on the conclusion of the clean energy package.

Three pieces of legislation – the regulation on governance of the Energy Union, the directive on energy efficiency and the directive on renewable energy (recast) – were formally adopted by the Council on 4 December (<u>press release</u>). They are scheduled to be published in the Official Journal of the EU on 21 December. They will enter into force on 24 December 2018.

A political agreement with the European Parliament on the regulation on risk-preparedness in the electricity sector was reached on 22 November (<u>press release</u>). A political agreement on the regulation on ACER (recast) was reached on 12 December (<u>press release</u>). A political agreement on the regulation and the directive on electricity was reached on 19 December (<u>press release</u>).

The clean energy package was proposed by the Commission in November 2016. Consisting of eight legislative files in total, the package aims to provide a stable legislative framework that will enable the EU to deliver on its climate commitments while ensuring affordable, secure and sustainable energy for its citizens. The proposals are also expected to make the European energy sector more competitive and to encourage cross-border cooperation and investment.

Energy Union policy page

Regulation on governance of the Energy Union

- Commission proposal (15090/1/16 REV1 + ADD 1 REV1)
- Final text (PE-CONS 55/18, 14282/18 + ADD 1, 14999/18)

Directive on energy efficiency

- Commission proposal (15091/1/16 + ADD 1)
- Final text (PE-CONS 54/18, 14281/18 + ADD 1, 14998/18)

Directive on renewable energy (recast)

- Commission proposal (15120/1/16 REV1 + ADD 1 REV1)
- Final text (<u>PE-CONS 45/18</u>, <u>14286/18</u> + <u>ADD 1</u>, <u>15000/18</u>)

Regulation on electricity (recast)

- Commission proposal (<u>15135/1/16 REV1</u> + <u>ADD 1 REV1</u>)

Directive on electricity (recast)

- Commission proposal (15150/1/16 REV1 + ADD 1 REV1)

Regulation on risk-preparedness in the electricity sector

- Commission proposal (15151/1/16 + ADD 1)

Regulation on ACER (recast)

- Commission proposal (<u>15149/1/16 REV1</u> + <u>ADD 1 REV1</u>)

Connecting Europe Facility (CEF)

The presidency informed ministers about the state of play on the Connecting Europe Facility (CEF). A partial general approach on this file was adopted by the Transport Council on 3 December (press release). The general approach is 'partial' as it excludes any financial and horizontal issues as well as issues related to the involvement of third countries in the CEF programme. All these are currently being discussed as part of the negotiations on the next multiannual financial framework (MFF) covering the period 2021 to 2027.

The proposal lays down the objectives of the programme, its budget for the period 2021-2027, the forms of EU funding and the rules for providing such funding.

The CEF proposal aims to develop, modernise and complete the trans-European networks in the fields of transport, energy and digital. It seeks to speed up investment in these networks and leverage funding from both the public and private sectors.

In the energy sector, the aim of the programme is to contribute to further integration of the European energy market, improving the interoperability of energy networks across borders and sectors, facilitating decarbonisation, and ensuring security of supply. Funding will also be available for cross-border projects in the field of renewable energy.

The programme emphasises synergies among the transport, energy and digital sectors, to enhance the effectiveness of EU action and optimise implementing costs. To achieve this, it provides for the adoption of cross-sectoral work programmes that would allow intervention in areas such as connected and automated mobility or alternative fuels.

The Commission presented the proposal in June 2018. The partial general approach reached on 3 December is the Council's mandate to start negotiations with the European Parliament. For it to be adopted, the text will need to be approved by both the Council and the European Parliament.

Connecting Europe Facility – Commission press release, 6 June 2018

Multiannual financial framework: shaping EU expenditure

Clean Planet for all: Strategic long-term vision for a climate-neutral economy

The Commission presented its communication entitled 'A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy', which was published on 28 November.

The presentation was followed by a first exchange of views on the topic among ministers, during which the publication of the vision was widely welcomed. The exchange was based on a discussion paper by the presidency, which emphasises the role of energy in the decarbonisation of the European economy. The presidency posed two questions to the ministers:

- (1) Do ministers consider the Commission Communication 'A Clean Planet for all' to set the right direction for the EU's long-term contribution to achieving the goals of the Paris Agreement? In this regard, where do ministers see the most urgent need for action in energy policy at Union level?
- Which framework conditions need to be in place to ensure expansion and integration of intermittent renewable energy in particular with regard to long-term storage, market design and deployment of different innovative energy technologies?

Note (15140/18)

Following the invitation by the European Council in March 2018, the Commission's vision for a climate-neutral future covers nearly all EU policies and is in line with the Paris Agreement objective of keeping a temperature increase to well below 2°C, and pursuing efforts to limit it to 1.5°C. It aims to achieve this goal by investing in realistic technological solutions, empowering citizens, and aligning action in key areas such as industrial policy, finance and research. Two of the eight scenarios proposed by the Commission spell out how the EU could reach zero net emissions by 2050.

Energy is now responsible for more than 75% of the EU's greenhouse gas emissions. The Commission therefore foresees a central role for the energy sector when moving towards zero net greenhouse gas emissions. The road to a climate-neutral economy would require joint action in seven strategic areas:

- energy efficiency
- deployment of renewables
- clean, safe and connected mobility
- competitive industry and circular economy
- infrastructure and interconnections
- bio-economy and natural carbon sinks
- carbon capture and storage to address remaining emissions

Communication from the Commission 'A Clean Planet for all'

In-depth analysis accompanying the Communication from the Commission

Commission press release

European Council conclusions of 22 March 2018

Other business

- Follow-up on the Hydrogen Initiative

The presidency and the Commission informed ministers about the latest developments concerning the Hydrogen Initiative. This initiative was launched at the informal meeting of energy ministers held in Linz on 17-18 September 2018. Twenty-six Member States, two EFTA States, the European Commission and around 100 businesses, organisations and institutions have supported the Hydrogen Initiative.

Note (<u>15030/18</u>)

Revision of the gas directive

The presidency updated ministers on the current state of play on the revision of the gas directive (2009/73/EC).

The Commission published a proposal to amend the gas directive on 8 November 2017. The aim of the proposed legislation is to ensure that the core principles of EU energy legislation (third-party access, tariff regulation, ownership unbundling and transparency) will apply to all gas pipelines to and from third countries up to the border of the EU's jurisdiction.

The Council has not yet determined its position on this file, and several ministers urged the incoming Romanian Presidency to take the discussions forward quickly.

Note (<u>15029/18</u>)

Commission proposal

European leadership in renewables: The state of marine energy

The Commissioner for Maritime Affairs, Mr Karmenu Vella, provided ministers with an update on the activities in the area of ocean energy.

He underlined that marine renewable energy technologies, such as floating offshore wind, wave and tidal converters, can contribute to achieving the EU's energy and climate objectives. Europe is currently the global leader in these technologies, but in order to turn this position into industrial leadership, further development is necessary.

Note (<u>14954/18</u>)

Recent developments in the field of external energy relations

The European Commission informed energy ministers about recent developments in the field of external energy relations, including the eighth EU-US Energy Council meeting, a Joint Declaration on the International Solar Alliance, the meeting of the Ministerial Council of the Energy Community, and other developments.

Note (14973/18)

2019 election of the next International Renewable Energy Agency (IRENA) Director General

The Italian delegation informed the Council about the 2019 election of the next IRENA Director General. Following a selection procedure, two candidates – the Italian candidate, Francesco La Camera, and the Colombian candidate, German Arce Zapata – have been shortlisted. The election of the new Director General will take place at the 9th IRENA Assembly on 11-13 January 2019 in Abu Dhabi. The Italian delegation called on all EU votes to support the Italian candidate, Dr La Camera.

Note (<u>15032/1</u>8)

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- Work programme of the incoming Romanian presidency

The incoming Romanian presidency informed the Council about its priorities and work programme in the field of energy.

The Romanian presidency will continue the efforts for further implementation of the Energy Union initiatives. The presidency also intends to carry out work on recent legislative proposals on a regulation on tyres labelling and Brexit adaptation of the energy efficiency directive. The incoming presidency further announced that constructive efforts will be put into negotiating the gas directive dossier. On the non-legislative dimension, the presidency stated that it will propose a debate on the future of the energy system in the Energy Union with the objective of adopting Council Conclusions in June 2019. Work on the strategic long-term vision for a climate-neutral economy and on external energy relations will also be carried out.

Note (14967/18)

Website of the incoming Romanian presidency

Lunch topic

During an informal lunch, ministers discussed energy security in the age of decarbonisation and the external dimension of energy policy.

OTHER ITEMS APPROVED

FOREIGN AFFAIRS

Relations with Egypt

The Council approved the EU position in view of the eight meeting of the Association Council with Egypt, which will take place in Brussels on 20 December 2018.

EU-Egypt Association Council, 20 December 2018

TRANSPORT

EU-Western Balkan Transport Community – budgetary matters

The Council adopted a decision on the position to be taken on behalf of the EU within the EU-Western Balkan Transport Community's Regional Steering Committee as regards certain budgetary matters in relation to the implementation of the Treaty establishing the Transport Community (15380/18 and 15204/18).

ENVIRONMENT

Biocidal products

The Council decided not to raise objection to the Commission Delegated Regulation (EU) .../... of 6.11.2018 amending Annex II to Delegated Regulation (EU) No 1062/2014 on the work programme for the systematic examination of all existing active substances contained in biocidal products referred to in Regulation (EU) No 528/2012 of the European Parliament and of the Council (14777/18 and 14078/18 +ADD 1).

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This amendment updates the annex in line with the actual state of the work programme by providing a list of active substance/product-type combinations included in the programme of review of existing active substances contained in biocidal products.

The Commission decision is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision unless the European Parliament objects.

Gas emissions - Auction of unallocated allowances

The Council decided not to raise objection to the Commission Delegated Regulation (EU) .../... of 30.10.2018 amending Regulation (EU) No 1031/2010 as regards the auctioning of 50 million unallocated allowances from the market stability reserve for the innovation fund and to list an auction platform to be appointed by Germany (14799/18 and 13855/18 + ADD1).

This regulation concerns the scheme for greenhouse gas emission allowance trading within the Community.

The Commission decision is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decision unless the European Parliament objects.

HEALTH

Derogations for the use of certain generic descriptors

The Council decided not to oppose the adoption of Commission Regulation (EU).../... of XXX providing derogations from Article 1(3) of Regulation (EC) No 1924/2006 of the European Parliament and of the Council on nutrition and health claims made on food for the use of certain generic descriptors (15087/18).

The generic descriptors listed in the Annex to this regulation will be exempted from the application of Article 1(3) of Regulation (EC) No 1924/2006, which means that they may be used without undergoing the authorisation procedures provided for in that regulation.

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