



Transport, Telecommunications and Energy Council
(Energy issues)

27 February 2017

The Council meeting will begin at 09.30, chaired by the Maltese minister Mr Konrad Mizzi. The Commission will be represented by Vice-President Maroš Šefčovič.

Ministers will exchange views on the Commission's extensive legislative package "**Clean Energy for all Europeans**" which aims at implementing the Energy Union Strategy.

The Council will hear the Commission's presentation of its recent report on the **State of the Energy Union**.

The Council will be informed by the Presidency on the state of play of two important legislative files

- the regulation concerning measures to safeguard the **security of gas supply**
- the regulation on **energy efficiency labelling**

During a working lunch ministers will discuss the **Energy Union governance**.

Press conference: at the end of the meeting (+/-16.00)

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¹ This note has been drawn up under the responsibility of the Press Office.

Clean Energy for all Europeans

The Clean Energy package includes eight legislative proposals, addressing electricity market design, energy efficiency, security of supply, renewables and governance rules and aiming to implement the [Energy Union](#) strategy, launched in 2015.

The aim of the Energy Union strategy is to move towards the decarbonisation of the EU economy by 2030 and beyond, whilst strengthening economic growth, jobs, consumer protection, innovation and competitiveness.

The Clean Energy package has three main goals: putting energy efficiency first, achieving global leadership in renewable energies and providing a fair deal for consumers. It was first presented by the Commission at the Energy Council meeting of 5 December 2016.

On the basis of a background document ([5800/1/17 REV 1](#)), ministers will be invited to give their preliminary views on key issues of the package, if possible focusing on :

- how best to achieve substantial progress in relation to such an extensive package,
- how should the institutions develop synergies for the overall approach
- how to make the best use of regional cooperation to facilitate the transition towards a low-carbon economy.

The main features of the specific proposals are the following:

Electricity market design

It includes proposals for a recast of the directive on **common rules for the internal market in electricity** ([15150/16](#) + [15150/16 ADD 1](#)), of regulations on the internal **electricity market** ([15135/16](#) + [15135/16 ADD 1](#), [15135/16 ADD 2](#)) and on a European **Agency for the Cooperation of Energy Regulators** (ACER) ([15149/16](#) + [15149/16 ADD 1](#)), as well as a proposal for a new regulation on **risk preparedness** ([15151/16](#) + [15151/16 ADD 1](#)).

New developments have led to fundamental changes in European electricity markets: the share of electricity generated from renewable energy sources (RES-E) has increased significantly and renewable energy has become more competitive. This shift towards RES-E will continue as it is a key condition to fulfil the EU's obligations under the Paris Agreement on climate.

A well-functioning integrated energy market is the best tool to guarantee affordable energy prices, secure energy supplies and to allow for the integration of larger volumes of electricity produced from renewable sources in a cost efficient manner. Competitive prices are essential for achieving growth and consumer welfare in the European Union.

The future electricity market will give priority to energy efficient solutions and will be characterised by more variable and decentralised electricity production, an increased interdependence between member states and new technological opportunities for consumers to reduce their bills and actively participate in electricity markets.

In addition, in order to improve the risk-preparedness of the EU's electricity system, a more systematic assessment of risks is foreseen, based on common methods to be carried out in a cross-border context, including regional 'stress tests' procedures for cooperation in different crisis scenarios and agreement on how to deal with simultaneous electricity crisis situations.

Renewable energy

The proposal on the promotion of the use of energy from renewable sources ([15120/16](#) + [15120/16 ADD 1](#)) aims to partially revise the 2009 Renewables Directive. It proposes a binding EU level target of at least 27% renewable energy in the Union's gross final consumption of energy in 2030, in line with the conclusions of the October 2014 European Council.

The proposal addresses notably support schemes, self-production and consumption of renewable energy, regional cooperation, guarantees of origin, criteria for sustainability and greenhouse gas (GHG) emission savings for biofuels, bioliquids and biomass fuels. It is aimed at three end-use sectors: electricity, heating and cooling, and transport.

Energy efficiency and energy performance of buildings

The proposed revision of Directive 2012/27/EU on energy efficiency ([15091/16](#) + [15091/16 ADD 1](#)) and Directive 2010/31/EU on the energy performance of buildings ([15108/16](#) + [15108/16 ADD 1](#)) aims at increasing growth, jobs and security of supply, as well as contributing to the EU decarbonisation goals for 2030.

The European Council conclusions of October 2014 set an indicative 27 % energy efficiency target at EU level. The conclusions also call for a review of this target by 2020 having in mind a level of 30%. Having carried out the review, the Commission now suggests a binding 30% EU target.

The measures proposed seek to maintain the same level of energy efficiency effort as currently demonstrated until 2020 and target in particular the renovation of the highly inefficient existing building stock by way of a long term renovation strategy setting clear milestones for 2030.

Energy Union governance

In the absence of nationally binding targets for renewables and energy efficiency for the period after 2020 (which the October 2014 European Council excluded) and in the context of the Paris Agreement, the proposal on governance ([15090/16 ADD 1](#)) designs a cooperation and control mechanism that should help ensure that the objectives and targets of the Energy Union, including notably the EU-level 2030 targets, as well as the EU climate targets, are jointly met and that the broad range of actions proposed in these and other areas make up a coherent and coordinated whole.

The control mechanism foresees that member states will submit integrated national energy and climate plans covering their objectives, policies and measures relating to all five dimensions of Energy Union, including greenhouse gas (GHG) emissions reduction targets. These plans would cover the period 2021 - 2030 and, in a 2050 perspective, be renewed every 10-year period thereafter.

Furthermore, the regulation requires that member states submit to the Commission biennial integrated national energy and climate progress reports (the first one being due by 15 March 2021). These reporting exercises should replace and streamline almost all existing reporting obligations in EU energy and climate legislation.

If the Commission concluded, on basis of these plans and reports, that the achievement of Energy Union objectives was at risk, it could issue recommendations to member states and take additional measures at Union level.

The proposal also contains "mirror provisions" relating to targets and objectives included in various EU legislative acts in the area of energy policy, and in several legislative proposals in the area of climate and energy policy recently presented by the Commission. Therefore, consistency must be ensured between the governance proposal and these "mirror provisions" in all other legislative proposals concerned.

State of the Energy Union

The Council will hear the Commission's presentation of its recently published State of the Energy Union report ([5902/17](#)), which assesses progress made in 2016 in the European Union as a whole towards the Energy Union objectives, in particular the 2020 energy and climate targets.

In this 2nd report the Commission concludes that the European Union has already achieved considerable reductions in energy consumption and if member states' efforts continue, the EU is on track to reach its 2020 energy efficiency targets.

The Commission considers that It is important that progress should be reviewed on a regular basis at a more political level, including by the European Council, to maintain the overall coherence and ambition of the Energy Union related proposals.

The Commission also stresses that as important as making progress on the legislative files is speeding up the implementation of the Energy Union's facilitating measures and ensuring full compliance with the existing rules.

Other business

- **Security of gas supply and energy labelling**

The Council will take note of information provided by the Maltese Presidency ([5807/17](#)) on the state of play of two important legislative proposals on which negotiations with the EP have already started :

- a regulation on measures to safeguard the **security of gas supply**;
- a regulation on **energy efficiency labelling**,

- **European Nuclear Energy Forum (ENEF)**

- Information from the Czech delegation

- **Ocean Energy Forum**

- Presentation by the Commission
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