



Transport, Telecommunications and Energy Council
(Energy issues)
5 December 2016

The Council meeting will begin at 10.00, chaired by the minister of Economic Affairs of Slovakia, Peter Žiga. The Commission will be represented by Vice-President Maroš Šefčovič and Commissioner Miguel Arias Cañete.

The Council will hold a policy debate on the proposal for a regulation concerning measures to safeguard the **security of gas supply** with a view to decide on key political elements of the proposal such as regional cooperation and solidarity.

The Council will hear the presentation by the Commission of its extensive "Winter Package" adopted on 30 November 2016, in the framework of the **Energy Union Strategy** implementation.

Ministers will also exchange views on progress regarding the development of the **external dimension of the EU energy policy** following an update from the Commission.

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

- the decision on establishing an information exchange mechanism with regard to **intergovernmental agreements and non-binding instruments** between member states and third countries in the field of energy
- the regulation on energy efficiency labelling

Finally, the Council will be updated by the Commission on **international energy relations** and informed by the Luxembourg delegation on the financial health of the **International Energy Agency (IEA)**.

Press conference: at the end of the meeting (+/-16.30)?

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

Security of gas supply

The Council will hold a policy debate on the proposal for a revised regulation concerning measures to safeguard the **security of gas supply** ([6225/16](#) + [ADD 1](#) + [ADD 2](#) + [ADD 3](#))

The proposed regulation, as well as the decision regarding intergovernmental agreements (IGA"s), are two of the main building blocks of the [Energy Union](#) with a forward looking climate policy strategy and are part of the previous 'Winter Package', presented by the Commission in February 2016.

The European Council of March 2015 agreed on the commitment for the EU to build an Energy Union and called for *inter alia* accelerating infrastructure projects, including interconnections, in particular to peripheral regions, for electricity and gas to ensure energy security and a well-functioning internal energy market.

The general purpose of the regulation is to minimise the impact of a potential gas disruption by improving the cooperation between member states and thus contributing to a better functioning internal energy market. The proposal translates into concrete actions the first dimension of the Energy Union, "energy security, solidarity and trust".

The main new elements of the regulation are:

- Enhanced regional cooperation and coordination (on the basis of pre-defined regions)
- Mandatory regional preventive action plans and emergency plans, as well as regional risk assessments, to be prepared jointly
- New solidarity principle which will have a mandatory application in extreme crisis scenarios
- Increased monitoring of provisions in the gas supply contracts.
- Aligning obligations to ensure that the necessary infrastructure is available within existing regulations.

Following intensive work at Working Party level and at Coreper during the Netherlands and Slovak Presidencies, three key issues remain open: **regional cooperation, exchange of information on commercial gas contracts and solidarity**.

The debate will be structured by a Presidency comprehensive note summarising the current state of play and proposing two options for each topic ([14874/16](#)).

- regional cooperation: should cooperation be based on flexibility within the structure of the core regions or on the analysis of risks?
- exchange of information on commercial gas contracts: extent of information to be provided to the national competent authorities and to the Commission?
- solidarity: level of details to be defined in the text of the regulation concerning the modalities for solidarity and compensation?

At the end of the debate, ministers are invited to conclude choosing one option per topic and to give a political guidance on the entire regulation to the Energy Working Party in order to reach a Council agreement as soon as possible and start negotiations with the European Parliament.

The European Parliament ITRE Committee voted on its report together with the EP negotiation mandate on 13 October.

Energy Union package

The Council will hear a presentation from the Commission on its Energy Union package, which includes two proposals on **energy efficiency**, three on **electricity market design**, one on **renewables** and one on **energy governance**. The package also contains several Commission regulations on eco-design, as well as several communications and reports.

Following the presentation of the 'Energy Security package' in February 2016, whose main files were the security of gas supply and the information exchange mechanism on intergovernmental agreements, which are currently being negotiated with the EP, this new "Winter package" aims to translate EU's 2030 climate and energy targets into concrete action.

The three proposals relating to energy efficiency and renewables respond to the 2030 targets of 27% for renewable energies (binding at EU level) and the indicative target of 27% for energy efficiency set by the October 2014 European Council and to be revised by 2020.

The electricity market design proposals aim at enabling the transition to a low-carbon economy by addressing factors such as increasing inflows of intermittent renewables, subsidy schemes, network access rights, storage solutions, the interplay with other energy generation (notably gas) or regional cooperation.

The governance proposal seeks to establish a control mechanism that would ensure that the 2030 targets for renewable energies and energy efficiency will be met. The European Council specified that these "targets will not be translated into nationally binding targets". The control mechanism will essentially consist of biannual reporting by member states to the Commission using key indicators and templates. This reporting exercise should replace all existing reporting obligations in EU energy legislation.

External dimension of the EU energy policy

Ministers will exchange views on the development of the **external dimension of the EU energy policy**, following an update from the Commission ([13997/16](#)).

In December 2013 the Energy Council endorsed a Council report entitled: "Review of developments on the external dimension of the EU energy policy" ([17756/13](#)), which invited the Council to "return to this issue before the end of 2016, taking account of developments in this field."

A significant number of developments have indeed occurred in the global energy landscape during this period, which had an important impact on the internal and external dimension of EU energy policy.

In order to guide the debate, ministers will be invited to answer the following questions prepared by the Presidency:

- How do you evaluate the progress in strengthening the common voice of the EU in relations with partners beyond its borders that has been made in recent years, in particular when taking into account the main priorities identified in the Framework Strategy for a Resilient Energy Union?
- Which countries or regions do you consider to be the most relevant for the EU and which tools should be used to enhance mutual cooperation with the aim to reach tangible results in relevant areas of energy policy?
- How should the EU best approach the ongoing transformation of the global energy system, and respond to the ongoing reform processes within international energy organisations?

Any other business

Intergovernmental agreements (IGA's) decision and energy labelling regulation

The Council will take note of information from the Presidency on the state of play of two important legislative proposals on which the Council has reached general approaches ([14582/16](#)). Negotiations with the EP have already started on both:

- the decision on an information exchange mechanism with regard to **intergovernmental agreements and non-binding instruments** between member states and third countries

The decision aims to correct shortcomings of the current mechanism in order to enhance the transparency and consistency of the EU's external energy relations and strengthen the EU's negotiating stance vis-à-vis third countries.

The Council agreed on a general approach on June of this year ([8945/16](#)). After the vote of the Parliament's ITRE Committee on 13 October, two trilogues were held, the first one on 8 November, and the second one on 24 November. Substantial progress was achieved and provisional agreement was reached on a number of topics.

However, some key issues remain open: the definition of intergovernmental agreement, the inclusion of non-binding instruments (removed by the Council in its general approach) and the scope of the *ex ante* assessment of IGAs by the Commission (which Council preferred to be limited to gas-related IGAs only, leaving IGAs relating to oil and electricity subject to the *ex post* assessment).

A third trilogue is scheduled for 7 December.

- a regulation on **energy efficiency labelling** ([13917/15](#)), which allows customers to make informed choices with regard to the energy efficiency and consumption of products, thus contributing to the moderation of energy demand.

Three informal trilogues were held under the Slovak Presidency in July, September and October 2016. Several technical meetings also took place at expert level. Provisional agreement was reached on most non-core political issues, including scope, definitions, market surveillance and harmonised standards. The Presidency also submitted compromise proposals on the core issues of rescaling and the database in view of the third trilogue.

- **External energy relations**

- Information from the Commission ([14484/16](#))

- **International Energy Agency (IEA)**

- Information the Luxembourg delegation

- **Work programme of the incoming Presidency**

- Information from the Maltese delegation
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