



Brussels, 22 February 2008

## **BACKGROUND**<sup>1</sup>

### ***TRANSPORT, TELECOMMUNICATIONS and ENERGY COUNCIL***

**Thursday 28 February, Brussels**

***(Energy items only)***

*The meeting will start at 10.00 on Thursday 28 February under the presidency of Mr Andrej Vizjak, Slovenian Minister for the Economy.*

*The Council is expected to adopt conclusions on the Commission Communication "a European Strategic Energy Technology Plan".*

*The Council will hold a public policy debate on the **climate-energy** legislative package, focusing on the renewables directive.*

*In addition, the Council will hold a public orientation debate on key issues of the third package for the **internal energy market**.*

\* \* \*

*At lunch, ministers will discuss the issue of the effective separation of transmission activities from production/supplies activities.*

*The presidency will hold a press conference at the end of the session.*

\* \* \*

***Press conferences and public events can be followed by video streaming:***

***<http://www.consilium.europa.eu/videostreaming>***

---

<sup>1</sup> This note has been drawn up under the responsibility of the press office.

## **European strategic energy technology plan - Council conclusions**

The Council is expected to **adopt conclusions** in response to the Strategic Energy Technology Plan (SET plan), adopted by the Commission in November 2007.

The Commission's SET plan ([15458/07](#)) is a comprehensive plan to establish a new energy research agenda for Europe. According to the Commission, Europe should lower the costs of clean energy and put EU industry at the forefront of the rapidly growing sustainable technology sector. The plan is to be accompanied by better use of, and increases in, resources both financial and human, to accelerate the development and deployment of sustainable technologies of the future.

The conclusions to be adopted by the Council comprise the fundamental principles for the European energy technology policy, in particular: increased and sustained funding for research, development, demonstration and deployment (RDD&D), further advances in a broad portfolio of energy technology fields and full engagement of the private sector.

Furthermore, the Council conclusions set up 6 priority industrial initiatives: European wind initiative; solar Europe initiative; bio-energy Europe initiative; European CO<sub>2</sub> capture, transport and sequestration initiative; European electricity grid initiative and nuclear fission initiative. In draft conclusions, the Council also agrees to set up by the summer 2008 a group of high level government representatives from each member state to exchange information and propose options for an optimisation of overall energy RDD&D efforts, and to establish a dialogue between research centres leading to an European energy research alliance.

## **Climate action and renewable energy package**

The Council will hold a **public policy debate**, following a short Commission presentation of the climate-energy package, focusing on the proposal for a directive on the promotion of the use of energy from renewable sources ([5421/08](#)).

The climate change-energy package<sup>1</sup>, adopted by the Commission on 23 January, complements existing measures aiming at reaching the overall objective - endorsed by the European Council in March 2007 ([7224/1/07](#)) - of a 20% reduction in greenhouse gases by 2020 and of achieving a 20% share of renewable energies in overall EU energy consumption by 2020, including a 10% target for biofuels.

---

<sup>1</sup> The package contains:

- proposal for a review of the directive 2003/87/EC on the EU emissions trading scheme (ETS) ([5862/08](#), lead: the Environment Council);
- proposal for a decision on the greenhouse gas emissions covering non-ETS sectors ([5849/08](#), lead: the Environment Council);
- proposal for a directive on the promotion of the use of energy from renewable sources ([5421/08](#), lead: Energy Council);
- proposal for a directive on carbon capture and storage ([5835/08](#), lead: the Environment Council),
- a Commission Communication on the early demonstration of sustainable power generation from fossil fuels plants and their funding ([5780/08](#), lead: the Energy Council)
- guidelines on state aid for environmental protection (lead: the Competitiveness Council).

The aim of the debate, which will be held on the basis of a presidency questionnaire ([5935/08](#)), is to provide guidance for the further work of the Council and its preparatory bodies.

In view of the nature of the climate-energy package, two horizontal questions will be shared with the Environment Council to be held on 3 March, focussing on the ambition of the package as a whole and on sustainability criteria:

- 1) *An adequate balance between promoting environmental sustainability and combating climate change, ensuring the competitiveness of European economies and increasing security of supply is of paramount importance. In this light, are the measures contained in the "climate action and renewable energy" package sufficient to meet the objectives and targets which were endorsed by the EU Heads of State and Government at the 2007 Spring European Council?*
- 2) *Sustainability is one of the pillars of climate-energy policy as well as an objective for several other EU policies; trade in biomass and biofuels will be required for the EU to achieve its targets. In that light, how do you assess the effectiveness of the sustainability scheme (will it ensure sustainable production of biofuels on the one hand and enable efficient trade to and within the Community on the other)?*

Two questions for energy ministers will focus on renewable energy sources and on the trade of guarantees of origin:

- 3) *Are the provisions of the renewable energy sources directive (such as binding targets and indicative intermediate targets) and the package generally adequate to ensure stability for investments necessary to reach the goals?*
- 4) *The renewable energy sources directive proposes a system of tradable guarantees of origin. Does this system as envisaged provide the flexible and cost-effective way to reach the targets while ensuring the successful operation of the national support schemes?*

The draft directive on the promotion of the use of energy from renewable sources lays down the principles according to which member states need to ensure that the share of renewable energy in EU final energy consumption reaches at least 20% by 2020.

In reaching this objective the proposal sets mandatory national targets for renewable energy shares, including a 10% biofuels share, in 2020; requires national action plans; standardises guarantees of origin (= certifying the renewable origin of electricity or heat) and enables the transfer of these to provide flexibility to member states to meet their targets by developing cheaper non-domestic renewable energy. In addition, the proposal requires reduction of administrative and regulatory barriers to the growth of renewable energy, improvements in provision of information and training. The draft regulation also creates a sustainability regime for biofuels.

*For more information on the climate-energy package, see the Commission's website:*  
[http://ec.europa.eu/energy/climate\\_actions/index\\_en.htm](http://ec.europa.eu/energy/climate_actions/index_en.htm)

## **Internal energy market**

The Council will hold **public policy debate** on the internal energy market package on the basis of a presidency note ([6324/08](#)).

Ministers will be invited to assess orientations on main issues that will serve as a basis for the more detailed work preparing the June Council. The ministers' discussions will focus in particular on the principles needed to achieve the effective separation of transmission activities from production/supply activities. The presidency's intention is to reach a political agreement at the June TTE Council on the electricity part of the internal energy market package and on a draft regulation establishing the Agency for the cooperation of energy regulators.

The third package of legislative measures<sup>1</sup> for the internal energy market was adopted by the Commission on 19 September 2007 in response to the call made at the 2007 Spring European Council<sup>2</sup>. This package aims to complement the existing rules in order to make the internal market work for all consumers, whether large or small, and to help the EU achieve more secure, competitive and sustainable energy.

Following the endorsement of the progress report at the December TTE Council ([15193/1/07](#)), the Slovenian presidency focused its work on the electricity sector and on the regulation establishing an Agency for the cooperation of energy regulators.

The note prepared by the presidency summarises the main concerns expressed in relation to key elements of the package examined so far: effective separation of activities, minority shareholding, public ownership, third-country clause, certification/designation of TSOs, including ISOs, derogations, investment planning, regulatory powers/duties, multiple regulators, handling of cross-border cases, comitology procedure for the adoption of guidelines, compliance with guidelines adopted by comitology and the Agency (principle, tasks, internal balance of powers).

Furthermore, the presidency note outlines elements that could form an overall compromise and invites the ministers to assess their viability. This could serve as a basis for a political agreement expected to be reached at the June Council meeting.

---

<sup>1</sup> The Commission energy package contains the following proposals:

- proposal for a directive amending directive 2003/54/EC concerning common rules for the internal market in electricity ([13043/07](#));
- proposal for a directive amending directive 2003/55/EC concerning common rules for the internal market in natural gas ([13045/07](#));
- proposal for a regulation establishing an Agency for the Cooperation of Energy Regulators ([13046/07](#));
- proposal for a regulation amending regulation (EC) No 1228/03 on conditions for access to the network for cross-border exchanges in electricity ([13048/07](#));
- proposal for a regulation amending regulation (EC) No 1775/05 on conditions for access to the natural gas transmission networks ([13049/07](#)).

<sup>2</sup> Action Plan 2007 – 2009 "Energy Policy for Europe" ([7224/1/07](#)).

**OTHER BUSINESS**

**International relations in the field of energy and security of supply - Implementation of the Action Plan "Energy Policy for Europe"**

- Information from the Commission

---