

COUNCIL OF THE EUROPEAN UNION



11135/12

PRESSE 259 PR CO 37

PRESS RELEASE

3175th Council meeting

Transport, Telecommunications and Energy

Energy items

Luxembourg, 15 June 2012

President Mr Martin Lidegaard, Danish Minister for Climate, Energy and Building



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Main results of the Council

The Council discussed the energy roadmap 2050.

It took note of progress reports on a draft regulation on **energy infrastructure** and on a draft regulation on safety of **offshore oil and gas activities**.

The presidency briefed ministers on the agreement reached with the European Parliament on the energy efficiency directive during the 6^{th} and final trilogue which took place on 13 June.

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¹ • 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.

PARTICIPANTS

Belgium: Mr Olivier BELLE

Bulgaria: Ms Evgenia HARITONOVA

Czech Republic: Mr Martin KUBA

Denmark: Mr Martin LIDEGAARD Mr Morten BÆK SØRENSEN

<u>Germany:</u> Mr Stefan KAPFERER

Estonia: Mr Gert ANTSU

<u>Ireland:</u> Mr Pat RABBITTE

<u>Greece:</u> Mr Konstantinos MATHIOUDAKIS

Mr Andreas PAPASTAVROU

<u>Spain:</u> Mr Fernando MARTÍ SCHARFHAUSEN

<u>France:</u> Ms Nicole BRICQ

<u>Italy:</u> Mr Claudio DE VINCENTI

<u>Cvprus:</u> Mr Neoklis SYLIKIOTIS

Latvia: Mr Daniels PAVĻUTS

<u>Lithuania:</u> Mr Arvydas SEKMOKAS

Luxembourg: Mr Etienne SCHNEIDER

<u>Hungary:</u> Mr Pál KOVÁCS

Malta: Mr Patrick MIFSUD Deputy Permanent Representative

Deputy Minister for Economy, Energy and Tourism

Minister for Industry and Trade

Minister for Climate, Energy and Building Deputy Permanent Secretary, Ministry of Climate, Energy and Building

State Secretary, Federal Ministry of Economic Affairs and Technology

Deputy Permanent Representative

Minister for Communications, Energy and Natural Resources

Secretary General, Ministry of the Environment, Energy and Climate Change Deputy Permanent Representative

State Secretary for Energy

Minister for Ecology, Sustainable Development and Energy

State Secretary for Economic Development

Minister for Commerce, Industry and Tourism

Minister for the Economy

Minister for Energy

Minister for Economic Affairs and Foreign Trade

Minister of State for Climate Change and Energy

Deputy Permanent Representative

<u>Netherlands:</u> Mr Maxime VERHAGEN

<u>Austria:</u> Mr Reinhold MITTERLEHNER

Poland: Mr Waldemar PAWLAK Portugal: Mr Artur TRINDADE

Romania: Mr Rodin TRAICU

<u>Slovenia:</u> Mr Igor ŠALAMUN

<u>Slovakia:</u> Mr Tomáš MALATINSKÝ

<u>Finland:</u> Mme Marja RISLAKKI

<u>Sweden:</u> Ms Anna-Karin HATT

United Kingdom: Mr Charles HENDRY Minister for Economic Affairs, Agriculture and Innovation, Deputy Prime Minister

Federal Minister for Economic Affairs, the Family and Youth

Deputy Prime Minister, Minister for the Economy

State Secretary for Energy

State Secretary, Ministry of the Economy, Trade and the Business Environment

State Secretary at the Ministry of Infrastructure and Spatial Planning

Minister for the Economy

Deputy Permanent Representative

Minister for Information Technology and Regional Affairs

Minister of State for Energy and Climate Change

<u>Commission:</u> Mr Günther OETTINGER

The Governments of the Acceding States were represented as follows:

<u>Croatia:</u> Ms Irena ANDRASSY

Deputy Permanent Representative

Member

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ITEMS DEBATED

Energy infrastructure

In public session, the Council took note of a presidency progress report $(\underline{9879/12})$ on a draft regulation on guidelines for trans-European energy infrastructure.

The progress report outlines the state of play on this proposal, after its examination in the Council energy working party under the Danish presidency, focusing in particular on Chapters II (projects of common interest) and IV (regulatory treatment) and the related annexes.

The proposal is intended to help the EU deliver the huge investments in energy infrastructure required to replace ageing infrastructure, to ensure security of supply, to make the transition to a low-carbon economy and to complete the internal energy market.

The aim is to overhaul the existing policy and financing framework for the trans-European energy networks (TEN-E) in order to improve it and adapt it to the current challenges facing the energy sector and to general EU energy policy goals. The proposal would give priority to twelve strategic trans-European energy corridors and areas and addresses in particular the selection of projects of common interest, the streamlining of authorisation procedures and cost-allocation rules.

The Commission presented its proposal in October (<u>15813/11</u>), following the call by the European Council in February 2011 (<u>2/1/11</u>).

EU funding for this regulation is to be negotiated in the context of the "Connecting Europe Facility" financing instrument relating to the next multiannual financial framework (2014-2020). The Commission presented this proposal in June 2011 (*16176/11*) with the aim of promoting the completion of priority energy, transport and digital infrastructures with a single fund of EUR 40 billion, EUR 9.1 billion of which is allocated to energy infrastructure. The Council agreed on a partial general approach on this proposal at its meeting on 7 June (see <u>press release page 9</u>). The draft regulation determines the conditions, methods and procedures for the Union's financial contribution to TEN projects, while the development strategies, priorities and implementation measures for each of the sectors are defined in sector-specific policy guidelines which will be adopted separately.

Safety of offshore activities

In public session, ministers took note of a presidency progress report (10205/12) on a draft regulation on the safety of offshore oil and gas prospection, exploration and production activities.

The progress report outlines the main issues discussed and concerns raised by delegations during the examination of the proposal in the working party on energy. The following main issues in particular will require further in-depth consideration: the nature of the legal instrument as a majority of delegations have reservations concerning the proposed regulation; the role and competence of the competent authority; and the liability regime and delegated powers of the Commission, which proposed the use of delegated acts for adapting the annexes to the regulation to the latest developments in technologies and procedures.

In Europe, most oil and gas is produced offshore. A major accident at any one of Europe's offshore installations is likely to entail material losses, damage to the environment, the economy, local communities and society, while the lives and health of workers may be put at risk. The possibility of a major accident in EU waters needs to be reduced.

This proposal, adopted by the Commission in October 2011 (16175/11), is aimed at reducing the risk of a major accident in the EU offshore oil and gas sector and limiting the consequences should such an accident nonetheless occur.

This aim will be achieved through the following four specific objectives:

- ensuring a consistent use of best practices for major hazards control by offshore oil and gas industry operations potentially affecting Union waters or shores;
- implementing best regulatory practices in all European jurisdictions with offshore oil and gas activities;
- strengthening the Union's preparedness and capacity to respond to emergencies potentially affecting the Union's citizens, its economy or the environment;
- improving and clarifying existing Union liability and compensation provisions.

In response to the Deepwater Horizon drilling rig disaster in the Gulf of Mexico in April 2010, the Commission presented its communication entitled "Facing the challenge of the safety of offshore oil and gas activities" (<u>14768/10</u>, <u>14768/10 ADD1</u>) in October 2010. The communication indicated initial areas for action at EU level, including revision of existing legislation as well as new proposals.

Building on this communication, in December 2010 the Council adopted conclusions on the safety of offshore oil and gas activities (16943/10) setting out a way forward for possible further action in relation to offshore exploration and production of hydrocarbons, notably to ensure the highest possible level of safety and protection of the environment as well as provisions on liability.

The European Parliament is expected to vote on its draft report in October 2012.

Energy roadmap 2050

The Council examined draft conclusions on the energy roadmap 2050.

The Commission communication on the energy roadmap 2050 (*18597/11*) provides perspectives on the various routes towards decarbonisation of the European energy system by 2050. It seeks to develop a long-term stable policy framework towards a low carbon emission, sustainable, competitive, affordable, safe and secure energy system in 2050.

The text was issued as presidency conclusions supported by 26 member states (11553/12).

Strategy for renewable energy

The Commission presented to ministers its new communication "Renewable energy: major player in the European energy market".

The communication was adopted by the Commission on 6 June. It explains how renewable energy is being integrated into the single market. It gives some guidance on the current framework up to 2020 and outlines possible policy options for beyond 2020, to ensure continuity and stability, thereby enabling Europe's renewable energy production to continue to grow to 2030 and beyond.

For more details see <u>http://ec.europa.eu/energy/renewables/communication_2012_en.htm</u>

Other business

State of play of current legislative proposals

– Energy efficiency

The presidency briefed ministers on the agreement reached with the European Parliament on the energy efficiency directive during the 6^{th} and final trilogue which took place on 13 June (<u>10493/12</u>).

For more details see press release <u>11414/12</u>.

Energy Star

The presidency briefed the Council on the state of play of the two legislative proposals related to the new Energy Star Agreement with the United States on energy efficiency labelling programmes for office equipment. The agreement aims to continually reduce the energy consumption of office equipment such as computers, displays, printers, copiers *etc.* (10494/12). It will cover another five-year period.

International relations in the field of energy

The Council was briefed by the presidency and the Commission on events and developments in international relations that have taken place during the Danish presidency, or are due to take place soon $(\underline{9880/12})$.

The briefing included, amongst other issues, the Rio+20 UN Conference on sustainable development (Rio de Janeiro, 20-22 June), the EU-OPEC ministerial meeting (Brussels, 28 June), the EU-China High Level Meeting on Energy (Brussels, 3 May), the EU-India Summit (New Delhi, 10 February), developments in the Southern Corridor, EU-Russia relations, the EU-Russia-Belarus negotiations, EU-US relations and the first meeting of the Strategic Group for International Energy Cooperation (Brussels, 24 April).

Stress tests for nuclear plants

The presidency and the Commission briefed the Council on the state of play concerning stress tests for nuclear plants (10495/12).

The disaster at the Fukushima power plant in Japan in March 2011 put the issue of nuclear safety and security at the top of the EU's agenda and triggered a series of meetings and events. The European Council on 24-25 March (10/1/11, paragraph 31) concluded that the safety of all EU nuclear plants should be reviewed on the basis of comprehensive and transparent risk and safety assessments.

The European Nuclear Safety Regulators Group (ENSREG) and the Commission reached agreement in May 2011 on the scope and modalities of these assessments, agreeing that a two-track process should be in place to cover safety and security. Pursuant to this agreement, the safety assessment of the nuclear plants started on 1 June and covers extraordinary triggering events like earthquakes and flooding and the consequences of any other initiating events potentially leading to a loss of safety functions requiring severe accident management and includes human and organisational factors. The ad hoc Group on Nuclear Security (AHGNS) was created in July 2011 on the basis of the Permanent Representatives Committee (Coreper) decision to deal with the security of nuclear power plants in the EU in relation to theft, sabotage, unauthorised access, unauthorised movement of nuclear material or other malicious acts.

On the 26 April, the ENSREG endorsed the peer review board report prepared in response to the mandate given by the March 2011 European Council. The report will be sent to the June European Council for information.

The Coreper took note of the final report of the AHGNS on 6 June (10616/12). The report will be brought to the attention of the June European Council.

For more information on the stress tests see: http://ec.europa.eu/energy/nuclear/safety/stress_tests_en.htm

Presentation of the incoming presidency programme

The Cyprus delegation presented the incoming presidency's work programme in the energy sector $(\underline{10496/12})$. Its work will focus on the legislative proposals on energy infrastructure and on offshore safety activities, as well as on the Commission communication on renewable energy.

The informal ministers' meeting will take place in Nicosia on 17 September and the formal TTE (energy) Council in Brussels on 3 December.

OTHER ITEMS APPROVED

<u>ENVIRONMENT</u>

Carbon leakage

The Council decided not to oppose the adoption of the Commission decision amending decisions 2010/2/EU and 2011/278/EU as regards the sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage (9590/12 + COR I).

The Commission act is subject to what is known as the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

FOREIGN AFFAIRS

East Asia

The Council revised the guidelines on the EU's foreign and security policy in East Asia (11492/12).

Syria - restrictive measures

The Council adopted implementing legislation on certain EU sanctions against Syria: the ban on exports of luxury goods and of additional dual use goods to Syria. For details, see press release <u>11222/12</u>.