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Transport, Telecommunications and Energy

ENERGY

Luxembourg, 10 June 2011

President **Mr Tamás Fellegi**
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P R E S S

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Main results of the Council

*The Council adopted conclusions on the **Energy Efficiency Plan** setting out lines of action in the following priority sectors: the public sector, buildings, industry and the energy sector, transport and ways to support favourable consumer choices.*

*The Commission briefed the Council on the state of play and future steps concerning the **stress tests for nuclear plants**.*

*Over lunch, ministers discussed **energy infrastructure investments**.*

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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.

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Minister for Economy, Energy and Tourism

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.....

Commission:

Mr Günther OETTINGER

Member

ITEMS DEBATED

Energy market integrity and transparency

In a public session, the Presidency informed the Council on the state of play ([10203/11](#)) of a draft regulation on energy market integrity and transparency.

The European Council conclusions of 4 February 2011 ([EUCO 2/11](#), paragraph 3) invited the Council and the European Parliament to work towards the early adoption of the Commission's proposal. In that light, following good progress in the Council and the vote in the EP ITRE Committee on 26 May, negotiations with the European Parliament will start on 16 June in order to reach a first-reading agreement by the end of June.

As the EU internal energy market for electricity and gas is becoming more and more liberalised and interconnected, the potential for its abuse and manipulation is also growing. The proposed regulation ([17825/10](#)) sets up a framework for monitoring wholesale energy markets in order to detect market abuse and manipulation, thereby ensuring the integrity and transparency of those markets. The central element of this framework is the establishment of a market monitoring function at European level, a task which should be carried out by the Agency for the Cooperation of Energy Regulators (ACER).

The Council bodies examined in particular the following provisions of the proposal: definitions, the role of the ACER and of national regulatory authorities, the reporting framework and procedures, as well as the Council's general efforts to ensure consistency with corresponding instruments in the financial sector and to avoid duplication with such instruments.

Market abuse and manipulation relating to financial instruments in general are already covered by market abuse directive 2003/6/EC and markets in financial instruments directive 2004/39/EC.

Energy efficiency plan

The Council adopted conclusions on the Energy Efficiency Plan ([10709/11](#)).

These conclusions set out a number of policy orientations, which should contribute to delivering the EU's 2020 20% energy efficiency objective. Greater energy efficiency is essential for achieving the EU's goal of a low-carbon economy and the objectives of the Energy 2020 Strategy.

The Council conclusions, building on the Commission communication on this subject ([7363/11](#)), presented in March 2011, address in particular the following priority areas for action in favour of energy efficiency: the public sector, buildings, industry and the energy sector, transport and ways to support favourable consumer choices.

A Commission legislative proposal for an energy efficiency directive is scheduled for June 2011.

Energy Roadmap 2050

The Presidency briefed the Council on the main points emerging from discussions on the Energy Roadmap 2050 held at the informal Energy Council on 2-3 May 2011 in Gödöllő. The Presidency summary of the debate can be found in [10721/11](#).

The Energy Roadmap 2050, to be presented by the Commission by the end of 2011, will further the implementation of the Energy Strategy 2011-2020 by focusing on what the EU's energy initiatives and instruments will need to achieve by 2050 in order to put high efficient, low-carbon energy systems in place while pursuing security of supply and competitiveness goals.

The German delegation outlined its decision to phase out nuclear power by 2022. This was followed by interventions by several delegations stressing in particular the need for coordination.

Energy infrastructure investments

Over lunch, ministers discussed energy infrastructure investments ([10233/11](#)).

The Commission informed the Council about this topic as requested by the European Council of 4 February 2011 ([EUCO 2/11](#), paragraph 6), during which the Commission was invited to report by June 2011 to the Council on figures for the investments likely to be needed, on suggestions as to how to respond to financing requirements and on how to address possible obstacles to infrastructure investment. The Commission report is available in [11056/11](#).

The Commission's report contains its analysis with regard to the investment needs of European relevance in electricity (about EUR 140 bn) and gas infrastructures (about EUR 70 bn) for the period up to 2020, the investments at risk of not being delivered due to various obstacles as well as the measures proposed to respond to the financing requirements and overcome the obstacles identified.

A Commission's legislative proposal in this field is expected to be presented in October 2011.

Comprehensive risk and safety assessment of nuclear plants

The Commission briefed the Council on the state of play and future steps concerning the stress tests for nuclear plants.

The disaster at the Fukushima power plant in Japan on 11 March put the issue of nuclear safety at the top of the EU's agenda and triggered a series of meetings and events including the convening of an extraordinary Energy Ministers Council on 21 March ([8004/11](#)). This issue was further addressed by the European Council on 24-25 March ([10/11, paragraph 31](#)), which concluded that the safety of all EU nuclear plants should be reviewed, on the basis of comprehensive and transparent risk and safety assessments. See [10722/11](#) for a summary of the main events and outcomes since the Fukushima accident.

The European Nuclear Safety Regulators Group (ENSREG) and the Commission reached agreement on 24 May on the scope and modalities of these assessments. According to this agreement the 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.

National progress reports are expected to be available by mid-September and the Commission, together with the ENSREG, will prepare a report on the tests in November.

The European Council on 9 December will assess the initial findings on the basis of the Commission's report.

For more information on the stress test see:

http://ec.europa.eu/energy/nuclear/safety/stress_tests_en.htm

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 Hungarian Presidency, or are due to take place soon ([10723/1/11](#)).

The briefing included, amongst other issues, the EU-OPEC ministerial meeting (Vienna, 27 June), good functioning of the EU-US Energy Council, developments in North Africa, the Southern Corridor, the first session of the assembly of the International Renewable Energy Agency (Abu Dhabi, 4-5 April), the second Clean Energy Ministerial meeting (Abu Dhabi, 6-7 April), the EU-Japan Summit (Brussels, 28 May) and the EU-Russia Summit (Nizhny Novgorod, 9-10 June).

OTHER BUSINESS

Sustainability criteria for biomass

The Council took note of the information provided by the Swedish delegation on sustainability criteria for biomass ([10724/11](#)). As the Commission is currently analysing the need for an European Union sustainability scheme for energy uses of biomass, the Swedish delegation, supported by several other delegations, presented common points and concerns about the detailed and harmonised sustainability criteria for biomass. These delegations believe that any Commission proposal on this topic must take into account the diversity in forestry and that detailed criteria could be defined at national level.

High-level conference on infrastructure

The Presidency briefed the Council on the outcome of the high-level conference on energy infrastructure held in Budapest on 16 and 17 May ([10725/11](#)). This event is the follow-up to the European Council conclusions of 4 February 2011, which addressed the issue of the future development of the EU's energy infrastructure, focused in particular on financing challenges, the primordial role of a stable regulatory framework, smart grids, permit procedures, the EU cost allocation mechanism and the option of EU funding for infrastructure.

Regional initiatives

The Commission briefed the Council on recent developments and progress achieved in implementing the Baltic energy market interconnection plan (BEMIP) and the North-South interconnections ([10726/11](#)). The BEMIP action plan on energy interconnections and market improvement in the Baltic Sea region started in June 2009 after its endorsement by the Commission and eight member states (Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark and Sweden). The North-South Interconnections initiative stems from the November 2010 Commission communication on energy infrastructure.

Work programme of the Polish Presidency

The Polish delegation informed the Council of its work programme ([10727/11](#)). Its key objective will be to enhance the external dimension of the EU's energy policy.

OTHER ITEMS APPROVED

AGRICULTURE

Agreement on forests in Europe

The Council adopted two decisions on the participation of the EU and its member states in the opening of negotiations on a legally binding agreement (LBA) on forests in Europe during the next Forest Europe ministerial conference on 14 to 16 June 2011.

As any agreement on forests in Europe falls under both EU and national competences, the opening of negotiations on an LBA in this area would have to be concluded by both the EU and the member states in the form of:

- a decision authorising the Commission to participate, on behalf of the EU, in the negotiations on an LBA on forests in Europe;
- a decision of the representatives of the member states, meeting within the Council, authorising the Presidency to negotiate an LBA on behalf of the member states.

Forest Europe is an intergovernmental policy process based on common strategies, which started in 1990 and is aimed at ensuring the sustainable management of Europe's forests. This process includes 46 European member countries (including Norway, Turkey, Russia and Ukraine) and the EU. The priorities of Forest Europe include: strengthening the role of forests in mitigating climate change, securing the supply of good-quality fresh water, enhancing and preserving forest biodiversity, providing forest products, developing a framework for future forest collaboration and exploring the possibility for a legally binding agreement on forests in Europe.

At the last ministerial conference of the Forest Europe process in Warsaw in 2007, it was decided to explore the possibility of establishing a legally binding instrument on forests in the pan-European region. A possible decision on launching negotiations on an LBA on forests in Europe should be taken at the next Forest Europe ministerial conference, which will be held in Oslo from 14 to 16 June 2011.

On March 2011 draft documents were adopted by the representatives of the Forest Europe countries, including those from all member states and the Commission, to be presented for decision in Oslo in June. On this occasion, all non-EU Forest Europe countries expressed their support for the opening of negotiations, including Russia, Turkey, Ukraine, Norway and Switzerland.

In June, ministers could sign a mandate for opening negotiations on an LBA on forests in Europe. After the mandate is signed, negotiations on an LBA on forests in Europe are expected to begin no later than 31 December 2011 and are to be concluded by 30 June 2013.

APPOINTMENTS

Court of Auditors

The Council appointed Mr H.G. WESSBERG as a member of the Court of Auditors for the period from 10 June 2011 to 28 February 2012 ([10438/11](#)).

Committee of the Regions

The Council appointed Mr Peter BOSSMAN, Mr Mitja MERŠOL, Ms Andreja POTOČNIK, Dr. Ivan ŽAGAR, and Ms Barbara ŽGAJNER TAVŠ, from Slovenia, as members of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015 ([10830/11](#)).
