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## **PRESS RELEASE**

3299th Council meeting

### **Transport, Telecommunications and Energy**

Brussels, 4 March 2014

President            **Yannis MANIATIS**  
Minister for Environment, Energy and Climate Change

# **P R E S S**

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Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6319 Fax: +32 (0)2 281 8026  
[press.office@consilium.europa.eu](mailto:press.office@consilium.europa.eu) <http://www.consilium.europa.eu/press>

## **Main results of the Council**

*The Council held a public policy debate on the Commission communication on **energy prices and costs** in Europe. Ministers again recalled in particular the importance of completing the internal energy market by 2014 and the need to further develop new energy infrastructure to secure the uninterrupted supply of energy throughout the EU at affordable prices. Ministers also highlighted the continued need for households and industry to reduce their energy consumption by improving energy efficiency and energy savings. Furthermore, ministers stressed the importance of creating a level playing field on the world energy market to strengthen the competitiveness of European industry and to mitigate the increasing price differential with third-country competitors.*

*The Council also held a public policy debate on a Commission communication for a **2030 framework for climate and energy policy** from the energy policy perspective so as to ensure complementarity with the policy debate in the Environment Council the previous day. Ministers stressed in particular that future climate and energy policies should aim at balancing different objectives: sustainability and credible pathways towards a low-carbon economy, with affordable energy prices, safe and secure energy systems and European competitiveness. They also expressed support for the Commission's aim to attain future climate and energy objectives in the most cost-efficient way.*

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**OTHER ITEMS APPROVED**

*none*

<sup>1</sup>

- 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

Deputy Permanent Representative

**Bulgaria:**

Mr Dragomir STOYNEV

Minister for the Economy and Energy

**Czech Republic:**

Mr Jan MLÁDEK

Minister for Industry and Trade

**Denmark:**

Mr Rasmus HELVEG PETERSEN

Minister for Climate, Energy and Building

**Germany:**

Mr Sigmar GABRIEL

Federal Minister for Economic Affairs and Energy

**Estonia:**

Mr Clyde KULL

Deputy Permanent Representative

**Ireland:**

Mr Pat RABBITTE

Minister for Communications, Energy and Natural Resources

**Greece:**

Mr Konstantinos MATHIOUDAKIS

General Secretary, Ministry of the Environment, Energy and Climate Change

Mr Ioannis MANIATIS

Minister for the Environment, Energy and Climate Change

**Spain:**

Mr José Pascual MARCO MARTÍNEZ

Deputy Permanent Representative

**France:**

Mr Philippe MARTIN

Minister for Ecology, Sustainable Development and Energy

**Croatia:**

Mr Ivan VRDOLJAK

Minister of Economy

**Italy:**

Mr Claudio DE VINCENTI

Deputy Minister for Economic Development

**Cyprus:**

Mr. Stelios D. HIMONAS

Permanent Secretary, Ministry of Energy, Commerce, Industry and Tourism

**Latvia:**

Mr Juris ŠTĀLMEISTARS

Deputy Permanent Representative

**Lithuania:**

Mr Jaroslav NEVEROVIČ

Minister for Energy

**Luxembourg:**

Mr Etienne SCHNEIDER

Minister for Economic Affairs and Foreign Trade

**Hungary:**

Mr Pál KOVÁCS

State Secretary for Climate Change and Energy, Ministry of National Development

**Malta:**

Mr Konrad MIZZI

Minister for Energy and the Conservation of Water

**Netherlands:**

Mr Henk KAMP

Minister for Economic Affairs

**Austria:**

Mr Reinhold MITTERLEHNER

Federal Minister for Economic Affairs, the Family and Youth

**Poland:**

Mr Andrzej Dycha

Deputy State Secretary, Ministry of the Economy

**Portugal:**

Mr Jorge MOREIRA DA SILVA

Minister for the Environment, Spatial Planning and Energy

**Romania:**

Mr Maricel POPA

State Secretary, Ministry of the Economy

**Slovenia:**

Mr Bojan KUMER

State Secretary at the Ministry of Infrastructure and Spatial Planning

**Slovakia:**

Mr Dušan PETRÍK

Secretary of State, Ministry of the Economy

**Finland:**

Ms Marja RISLAKKI

State Secretary, Ministry of Employment and the Economy

**Sweden:**

Ms Anna-Karin HATT

Minister for Information Technology and Energy

**United Kingdom:**

Mr Edward DAVEY

Secretary of State for Energy and Climate Change

.....  
**Commission:**

Mr Günther OETTINGER

Member

**ITEMS DEBATED**

**ENERGY**

**Energy prices and costs in Europe**

The Council held a public policy debate on the Commission communication on energy prices and costs in Europe on the basis of three questions suggested by the Hellenic presidency ([6524/14](#)).

At the end of the debate the presidency noted the following:

- ministers welcomed the Commission Communication on "Energy prices and costs in Europe" and expressed broad support to the proposed actions to reduce energy costs as presented in its Communication, while noting that not all of them are relevant to all member states;
- ministers again recalled the importance of completing the internal energy market by 2014 and the need to further develop new energy infrastructure to secure the uninterrupted supply of energy throughout Europe at affordable prices, especially for vulnerable consumers;
- ministers underlined the importance of a strong regional approach;
- ministers also underlined the continued need for households and industry to reduce their energy consumption by improving energy efficiency;
- ministers acknowledge that the differences between wholesale and retail prices would need further attention, however, pointed out that these differences are to a certain extent caused by member states' national circumstances. Furthermore, the increase of international energy prices should also be regarded as an important factor in this context;
- ministers broadly expressed support to the need of benchmarking network costs and practices to ensure European convergence, however, underlined that due regard must be given to national circumstances when seeking to identify best practices;
- it is important to preserve flexibility as regards the use of state aid which should be consistent with our energy and competitiveness objectives;

- ministers stressed the importance of creating a level-playing field on the world energy market to strengthen the competitiveness of the European industry and to mitigate increasing price differential with competitors of third countries;
- supporting competitiveness and reducing energy costs also contribute to social cohesion in member states and will help to preserve jobs and reduce unemployment. Enhancing energy efficiency will help vulnerable consumers, benefit the building sector and contribute to our climate objectives.

The presidency will report on the outcome of the ministerial discussion to the President of the European Council with a view to the European Council meeting of 20-21 March 2014. The discussion will also feed into draft Council conclusions to be presented for adoption at the TTE (Energy) Council on 13 June 2014.

The Commission communication ([5599/1/14 REV 1](#)) was presented on 22 January in response to a request from the European Council in May 2013 ([EUCO 75/1/2013, page 5](#)), which called on the Commission to present an analysis of the composition and drivers of energy prices and costs in Europe. The communication provides that analysis and will help policy makers understand the context of recent price rises, their impact on energy consumers and the political implications.

The communication focuses on electricity and gas prices and costs, including their impact on citizens' access to stable and affordable energy prices and on the EU's industrial competitiveness. As there are no major differences between oil and coal prices across the globe, these sectors are not specifically covered in the communication. According to the communication, the consumer price for electricity and gas is composed of the following three elements: energy price (wholesale and retail price), network costs (transmission and distribution costs) and taxes/levies (general and targeted). The communication points out that prices, and especially costs, have continued to rise overall for both households and industry despite falling or stable consumption.

## **2030 framework for climate and energy**

The Council held a public policy debate on a Commission communication for a 2030 framework for climate and energy policy. To structure the debate, the presidency proposed three questions ([6520/14](#)) from the energy policy perspective so as to ensure complementarity with the policy debate in the Environment Council the previous day.

At the end of the debate the presidency highlighted in particular the following:

- future climate and energy policies should aim for the right balance between objectives: sustainability and a credible pathway towards a low-carbon economy, but also affordable energy, safe and secure energy systems, and competitiveness;
- thus the calls for an integrated and coherent policy approach, and for achieving future climate and energy objectives in the most cost-efficient way;
- flexibility is the key word so as to allow member states to pursue a low-carbon transition in accordance with their national circumstances, preferred energy mix and in view of energy security;
- the coming state aid rules should not reduce the flexibility needed to deliver on climate and energy objectives in an efficient way;
- there is a broad understanding that a credible greenhouse gas emissions reduction target consistent with the EU's 2050 pathway should be a central piece of a new 2030 framework: there is however a spectrum of views on whether it should be the central piece, or one objective together with renewed impetus on renewables and on energy efficiency;
- there is a need for a fair distribution of efforts between member states and between sectors;
- the role of renewable energy sources for more sustainable and competitive energy systems and the challenges resulting from efforts to integrate renewable energy into market conditions were highlighted;
- emphasis on achieving a truly integrated EU energy market and its infrastructure and interconnections, including for isolated regions, with a strong regional approach;

- greater energy efficiency has a key role to play in the 2030 framework. Member states are thus awaiting the Commission's examination on progress towards the 2020 energy efficiency target, and clarity on any future Commission initiatives;
- suggestions for a new governance system need to be further considered; the announced flexibility for member states to choose policies based on needs, cost-efficiency and capabilities is welcome, and member states' right to determine their energy mix was underlined
- finally, setting indicators could place a 2030 framework more firmly within energy policy objectives through greater focus on competitiveness and security of supply; their precise role and practical function require more thought.

The presidency will report on the outcome of the debate to the President of the European Council with a view to the European Council meeting of 20-21 March 2014.

The Commission communication ([5644/1/14 REV 1](#)), presented on 22 January, suggests a framework for future EU energy and climate policies and is intended to launch a process to arrive at a shared understanding of how to take these policies forward in the future.

The main elements of the proposed framework include:

- a greenhouse gas emissions reduction target of 40 % below 1990 levels, to be achieved only through domestic measures (without the use of international credits);
- a renewable energy target of at least 27 % of energy consumption, with flexibility for member states to set national objectives;
- energy efficiency as a key component of the 2030 framework; a review of the energy efficiency directive will be concluded later in 2014.

The Commission also outlines a new governance system based on national plans for competitive, secure and sustainable energy to be drawn up by member states. In addition, it proposes a set of indicators intended to assess progress over time and to provide a factual base for a potential policy response.

**OTHER ITEMS APPROVED**

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