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INFORMATION NOTE

from: General Secretariat of the Council
to: Delegations

Subject: External energy relations

- Recent developments in the field of external energy relations
 - (a) EU-OPEC
 - (b) Southern Gas Corridor
 - (c) EU-Ukraine
 - (d) EU-US Summit
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 - (f) Strategic Group for international energy cooperation
 - (g) EU-India
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= Information by the Presidency and the Commission

Delegations will find attached factual information on recent and upcoming events and developments relating to the item "International relations in the field of energy" on the agenda of the TTE (Energy) Council on 13 June.¹

¹ Note: please refer to the Note on multilateral frameworks (doc. 9763/14 + COR 1) for recent developments as regards the Energy Community, the Energy Charter and the International Energy Agency.

(a) EU-OPEC

A ministerial meeting of the EU-OPEC Energy dialogue will be held on 24 June 2014 in Brussels. The topics will focus on oil market developments and the long term outlook as well as on the status and future activities of the EU-OPEC Energy dialogue. The Greek Presidency will be represented by Mr. Assimakis Papageorgiou, Deputy Minister for Environment, Energy and Climate Change. A study on the outlook and challenges for the petrochemical industry will be started, to be followed by a roundtable; the deliberations on another joint study are in progress.

(b) Southern Gas Corridor

Following the final investment decision on the Shah Deniz II field in Azerbaijan and the related pipeline investments along the SGC in December 2013, the Commission has carefully monitored the implementation of the various projects along the corridor. Progress has been good and bottlenecks are being addressed by the parties.

As regards negotiations on the Trans-Caspian Pipeline, the last consultations with Turkmenistan were held in December 2013. Further consultations are planned to take place before the end of June and could be swiftly followed by a trilateral round, provided sufficient progress is made.

(c) EU-Ukraine

The EU continued to support Ukraine in the transition period notably via its assistance package designed to help stabilise the economic and financial situation in Ukraine, including in the energy sector. The measures proposed for the energy sector aim at increasing Ukraine's energy security of supply by supporting supply diversification and the further integration of Ukraine into the EU's gas market in the context of Ukraine's membership of the Energy Community.

The EU has been assisting Ukraine in diversifying its gas supply routes, notably by supporting the activation of reverse flows from the EU. To this end, the Memorandum of Understanding on the Interconnection Agreement was signed by Ukrtransgaz and Eustream in Bratislava on 28 April with the view of operationalizing the reverse flows from Slovakia to Ukraine in the autumn of this year. Poland (and Hungary – tbc) have also re-activated the reverse flows to Ukraine.

The cooperation under the framework of the Memorandum of Understanding in the energy field progressed and the 8th Joint EU-Ukraine report on the Implementation of the EU-Ukraine MoU in 2013 was presented on 19 March 2014 in Brussels.

The trilateral talks between the Commission, Ukraine and Russia were initiated on 2 May 2014 in Warsaw with the aim of solving all the outstanding issues related to the gas supply and transit to and through Ukraine by the end of May.

(d) *EU-US Summit*

The fifth EU-US Energy Council was held on 2 April 2014 in Brussels, with the participation of EU High Representative/Vice President Ashton, EU Commissioner for Energy Oettinger, US Secretary of State Kerry, US Deputy Secretary of Energy Poneman and Minister Maniatis of the Greek Ministry of Environment, Energy and Climate Change on behalf of the Presidency. The meeting focused on the energy security implications of the situation in Ukraine and the need to support Ukraine in diversifying its supplies of natural gas, undertaking energy sector reforms, and promoting energy efficiency and renewable energy. It also underlined the importance of the continued co-operative work in the Energy Policy and Technology Working Groups and reaffirmed the mutual determination of the EU and US to work towards the adoption in Paris in 2015 of a protocol, another legal instrument or an agreed outcome with legal force under the United Nations Framework Convention on Climate Change applicable to all Parties, in order to strengthen the multilateral, rules-based regime.

(e) *International Energy Agency*

In the framework of its 2nd in-depth review of EU energy policy the IEA carried out a one week visit to Brussels interviewing all relevant stakeholders. The visit included a meeting with the Greek Presidency. The final report is expected to be presented by the end of 2014. Preparations for the election of the next Executive Director should start in the second semester of 2014, since the term of the current Executive Director expires by the end of August 2015.

(f) Strategic Group for international energy cooperation

The Strategic Group for international energy cooperation met on 10 April 2014. The meeting was dedicated to the ongoing process regarding the future strategic orientation of the Energy Community (EC) and the International Energy Agency (IEA). The Greek Presidency was represented by Professor Konstantinos Mathioudakis, Secretary General for Energy and Climate Change, who gave a speech on the aspect of regional integration processes. Member States welcomed the extension of the EC to 2026. They emphasised the importance of the EC in facilitating cooperation among all European energy stakeholders by addressing security of supply, extending the internal energy market, promoting interconnections and solidarity and expressed support to further expansion. The need of strengthening the EC institutional setting was also referred to. As regards the IEA, Member States stated that its main added value and core task was to prepare unbiased, useful data, statistics, and evidence based analysis of energy developments at national, regional and global level. The shift in the IEA's work towards supporting the transition to low-carbon economies was considered to be an important adaptation of the IEA to the changes in global energy policy. The key role of the IEA unique expertise in the global energy architecture was underlined and should be further supported. As regards the IEA Association initiative, it was generally seen as a way to ensure continued global relevance of the Agency.

(g) EU-India

The EU-India Energy Panel met in Brussels on 27 March 2014 and took stock of recent energy cooperation activities on renewables, energy efficiency, eco-cities, smart grids and clean coal. The meeting gave impetus to new priority areas for cooperation including energy security and the development of transmission infrastructure for integrating large-scale renewable electricity production.

(h) EU-Brazil

The EU-Brazil Energy Policy Dialogue took place in Brussels on 26 February 2014. During the meeting all major subjects in the bilateral energy relation were considered, including renewable energies, smart grids smart cities, energy efficiency, the oil and gas sector and electricity markets. It was agreed to deepen the present co-operation through technical sectorial dialogues.

(i) *Eastern Partnership*

The 11th meeting of the Eastern Partnership Platform on energy security takes place on 23 June 2014 back-to-back with an event on the Covenant of Mayors on 24 June. The platform meeting will focus on energy efficiency. Work on regulatory issues was continued in a 3rd workshop of Eastern Partnership energy regulatory bodies on 27-28 May in London. That meeting focused on regulatory issues of electricity markets integration and was combined with a field trip to the BritNet interconnector.
