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THE EUROPEAN UNION**

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**INFORMATION NOTE**

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from: the Presidency

to: Delegations

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Subject: Informal Energy Ministerial meeting (Seville, 15-16 January 2010)  
- Information from the Presidency

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Delegations will find attached an information note from the Presidency on the above.

## Summary of the Informal Council

Seville, 15 January 2010

The Seville Informal Council of 15 January 2010 provided EU energy Ministers with an opportunity to discuss the future of the European energy policy against the backdrop of the changes brought about by the recently approved Lisbon Treaty, the post-Kyoto process following the recent Copenhagen Summit, and the challenges of the current global economic situation.

The meeting was attended by representatives of the 27 Member States, the European Commission, the Council Secretariat, Croatia, Iceland, Norway, Switzerland and Turkey as well as a number of high-profile speakers.

In advance of the discussion, the Spanish Presidency circulated the paper “The European Energy Policy: Main topics for the Energy Action Plan 2010-2014”. This document served to stimulate and focus the debate around key themes of the European energy policy and, in doing so, elicit input for the forthcoming Action Plan.

The first session of the Council began with presentations about the Action Plan, the outcomes of the Copenhagen Summit and the EU foreign energy policy. These were complemented by talks about the SET plan in the afternoon session.

The presentations gave way to a very constructive debate during which there was an absolute agreement with regard to the need for the European Union to have an Action Plan to guide our energy policy over the next five years. In particular, the debate was focused around the following areas of the future Plan:

- Interconnections as a key element to achieve a better functioning internal market and the security of supply
- Security of supply as a priority for the European Union energy policy
- Technology as a key enabler of the transition to a low carbon economy.

## **I. Interconnections as a key element to achieve a better functioning internal market and the security of supply**

The Energy Ministers agreed unanimously on the key importance of interconnections:

- Internally, for interconnections are fundamental in order to achieve an internal market which enables the improved competitiveness of the European industry and the welfare of EU citizens. Specifically, as highlighted in the document sent by the Presidency, “The European internal market cannot be fully achieved as long as the peripheral and insular markets, if applicable, are not integrated by means of the necessary interconnections within the heart of the EU”. The need to do our utmost to boost interconnections among the Member States was highlighted.
- Beyond the EU, improving connections means strengthening the European stance by using a single voice to define and boost the diversification of supplies. As such, we must support the priority interconnection projects that have already been agreed. The Spanish Presidency illustrated this point by referring to the MEDGAZ project, which will start shortly, in order to develop the Mediterranean Ring. This project enables the entry of Algerian gas from the south of Europe and can contribute to diversifying supply for the countries of continental Europe, providing the interconnections within the EU are in place.

In addition, the financial and regulatory frameworks were discussed as key requirements to make progress with the physical connections. Speaking about financing, the recent contribution of the European Economic Recovery Plan to fund interconnection projects was mentioned. With regard to the regulatory framework, it is crucial that the infrastructures that are planned are completed - some doubted the capacity of the internal market to guarantee this. The Action Plan must examine financing aspects, regulation, incentives and the role of ACER carefully.

Approving the Instrument for Energy Security and Infrastructures at the earliest convenience was also seen as a key priority.

## **II. Security of supply as a priority of the European Union energy policy**

- Having a diversity of sources and routes is essential to guarantee supplies for Europe over the coming years. Renewables and connections with other countries are the means to achieve this. The Member States agreed on the need to diversify sources and routes and to continue to nurture good relationships with countries beyond the EU. Indeed, one of the main objectives of the Spanish Presidency is to promote relationships with the countries of the Mediterranean Ring.
- As highlighted by the speakers during the first session, it is essential to keep a unified EU stance when negotiating with other energy generating countries. This will increase the weight of the EU countries in international markets and, by doing so, defend the Union's interests. The Commission exemplified this point by referring to the Russia-Ukraine gas crisis.
- Energy is one of the most important pillars of our economy. Because of that, policymakers must bear in mind that the main objective is to guarantee the supply for consumers at reasonable costs: we must strike a balance between consumers paying the right price for their energy and protecting the vulnerable ones.

## **III. Technology as a key enabler of the transition to a low carbon economy**

- It is essential to set out the financing framework for low carbon technologies. This must be arranged around public-private collaboration mechanisms.
- There are three technological fields with great development potential to help us overcome the energy challenges facing Europe: Renewables, Smartgrids and Electric Vehicles. It is crucial to make progress to reconcile and regulate those. Indeed, the lack of regulation has been one of the key barriers to their development thus far. Several Member States have expressed their willingness to support the deployment of electric vehicles, given the fact that these would help increase network efficiency and cut emissions.

- Carbon Capture and Storage was deemed to be a much needed technology with promising prospects

In conclusion, the European Union must continue to work to increase the security of supply in a competitive and sustainable way that respects the environment. In order to achieve this, we will need to join our efforts to make the internal market a reality in the short term. Some elements already identified as essential are the development of interconnections and technologies that enable a transition to a low carbon economy. This Presidency will reflect these principles in its agenda for the coming months and will work – with Belgium and Hungary – to reach an agreement about the direction that the European energy policy must follow over the next five years.

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