Council of the European Union

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CLIMA 39
ENER 58
ENV 110
TRANS 81
SUSTDEV 14
AGRI 65
ECOFIN 123
COMPET 104
MI 114

NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
No. Cion doc.:	15011/18
Subject:	COMMUNICATION FROM THE COMMISSION A Clean Planet for all A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy - Policy debate

1. On 28 November 2018, the Commission adopted the Communication 'A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy'.

2. The Communication was presented to the Council on 19 December 2018 (Energy) and 20 December 2018 (Environment). The presentation was followed by an initial exchange of views between Energy Ministers.

3. The Commission presented the Communication at the Energy Working Party (EWP) on 29 November 2018 and at the Atomic Questions Working Party (AQWP) on 12 December 2018 ahead of the Transport, Telecommunications and Energy Council meeting mentioned above.

4. Since January 2019, the Working Party on the Environment (WPE) has been discussing the Commission Communication and its accompanying in-depth analysis. Delegates from the Energy Working Party were invited to join all of the WPE meetings held so far (on 11, 25 January and 5, 14 February 2019) to engage in the thorough discussion of the in-depth analysis.

5. The Energy Working Party also discussed the Commission Communication on 12 February 2019 in view of the preparation of the Council (Energy) on 4 March 2019, with a special focus on the energy-related key issues, challenges and opportunities towards a smooth transition to a climate-neutral economy.

6. The Presidency aims to hold debates in all relevant Council formations on the contribution of their respective policy areas to the overall vision.

7. In order to guide the ministerial policy debate on 4 March 2019, the Presidency has prepared the background paper and questions in the Annex to this Note.

ANNEX

Clean Planet for all: Strategic long-term vision for a climate-neutral economy Presidency Background Paper for Policy Debate in the 4th of March TTE Energy Council

1. Energy is a key player in the process of transforming the European economy and greenhouse gas emissions reduction endeavours. The Communication recognizes the central role of energy as it is responsible for more than 75% of the EU's GHG emissions. The transition envisages transformations in the energy system that will enable EU to provide secure and sustainable energy supply in a market-based approach, while placing the consumers at the centre of the process.

2. The EU has always been at the forefront of addressing the causes of climate change and working towards a concerted answer at global level in the framework of the Paris Agreement. To this end, the European Council in June 2017 strongly reaffirmed the commitment of the EU and the Member Stated to the Paris Agreement goals and on 22 March 2018 invited the European Commission to present, by the first quarter of 2019, a proposal for a strategy for long-term EU greenhouse gas emission reductions in accordance with the Paris Agreement, taking into account the national plans.

3. On 28 November 2018, the Commission adopted the Communication 'A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy'. The Communication presents a vision of how the EU could contribute in the long-term to achieving the Paris Agreement goals. The aim of the Communication was to launch a broad debate, which will involve European decision-makers and citizens, on how Europe should prepare itself towards a 2050 horizon.

Based on this, the EU should be able to adopt and submit its long-term strategy by 2020 to the United Nations Framework Convention on Climate Change (UNFCCC) as requested under the Paris Agreement.

4. The Communication highlights the transformations in all sectors of the economy, including energy, in order to achieve the transition to a net-zero greenhouse gas emissions.

According to the document, the transition should be socially fair for both citizens and regions, will enhance competitiveness and strengthen the EU role in global markets, while securing energy security of supply, sustainable growth, and jobs.

5. To ensure the pathway for a net-zero greenhouse gas economy, the Communication describes seven building blocks, out of which two are referring explicitly to energy as follows: maximizing the benefits from Energy Efficiency including zero emission buildings and maximizing the deployment of renewable and the use of electricity to fully decarbonise Europe's energy supply, two more which directly relate to the way energy is used in our economy for transportation and industrial activities, and finally a fifth one underlying the role of infrastructure with a particular focus on energy-related infrastructures.

6. The Communication elaborates on the deployment of no-regret options such as renewables including sustainable advanced biofuels, energy efficiency including buildings, together with individual options such as electrification, hydrogen and alternative fuels or new approaches to mobility.

The wider use of renewable electricity could lead to the decarbonisation of different sectors such as heating, transport and industry. Solutions described in the Communication also refer to the deployment of sustainable renewable heating and gas, including biogas, hydrogen and e-methane produced with renewable electricity.

Large scale deployment of renewables will lead to electrification of the economy and facilitate sector coupling. Renewables, complemented by other safe and sustainable low carbon technologies will form the backbone of a carbon-free power system.

Moreover, in order to reach a net-zero greenhouse gas emissions it will also be necessary to maximize the potential of technological and circular economy options.

7. The Commission's long-term vision identifies research, development and innovation as elements that are expected to reduce significantly the cost of technologies and enable business development in Europe as a basis for leading the markets globally.

In this light, the integration of innovative solutions in energy efficiency or renewables will enable the energy system to be more flexible while implementing smart transmission infrastructure, storage technologies and digitization, all of which will boost job creation potential and economic growth. In this context, proper funding in Research and Innovation represent a way to further enhance decarbonisation.

8. The Communication calls for all European and national political actors, as well as stakeholders in the private sector and European citizens, to take an active part in the debate and in identifying measures to create a competitive and low-carbon economy, while addressing both challenges and opportunities.

9. The multifaceted and interdisciplinary vision presented in the Communication requires coordinated action from a wide range of areas, among which energy, along with transport and agriculture, weighs the most.

10. The Communication invites all relevant Council formations, including Energy, to hold extensive policy debates on the contribution of their relevant policy areas to the overall long-term vision of the EU's transition to a competitive, fair and climate neutral economy. In this context, Energy Ministers are invited to discuss the key elements of the Communication.

11. The policy debate in the Council (Energy) is meant to guide steps towards the key strategic orientations and inspire/ explore the vision of Member States in the 2050 horizon, building on the agreed 2030 targets.

Questions:

1. In your view, what main structural changes does the energy system need to undergo and what elements of the toolbox, such as increasing the role of renewable solutions, adapting our network infrastructure or developing a strategic approach to buildings, are the most crucial to reduce the high share of the total GHG emissions for which the energy sector is accountable for?

2. How would the new technology solutions such as hydrogen, power-to-gas, storage or biomass contribute to ensure the transition towards a low carbon economy while maintaining a balance between the investment costs, economic competitiveness and job creation potential in the energy sector? Do Member States' national policies foresee any prioritization of the above approaches?

3. Acknowledging the diversity of Member States in terms of energy system specificities, geographical particularities and a need for a "fair transition", how would the pathway to a low carbon society be best implemented for both their citizens and regions? How do the NECPs address this question?