



**COUNCIL OF
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to: Permanent Representatives Committee / Council

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- *Exchange of views*

I. INTRODUCTION

The EU's 2020 energy policy objectives related to increasing the share of **renewables** in final energy consumption by 20% and moving towards a 20% increase in **energy efficiency** (together with those for greenhouse gas emission reductions) represent one of the five **headline targets** agreed by the European Council in March 2010 for the overall Europe 2020 strategy (which were reconfirmed by the European Council when it met in June 2010).

The Presidency presented a "Roadmap on the implementation of the European Semester" (5644/11) which was endorsed by the General Affairs Council on 31 January 2011. It sets out the sequence of work within various Council formations towards in particular the March European Council meeting and the contributions in the different policy areas covered by the Europe 2020 strategy. On 12 January 2011, the Commission published the "Annual Growth Survey" as a contribution to the first round in the new economic governance cycle under the Europe 2020 strategy.

Energy efficiency

It is recalled that, on the occasion of the Policy Debate on the future Energy 2020 strategy at the TTE - Energy Council of 3 December 2010, delegations underlined the need to increase **energy efficiency** as a key priority for the strategy (see also general overview contained in 18014/10), which is reflected and further developed in the draft Council conclusions on the "Energy 2020 strategy and energy infrastructure priorities for 2020 and beyond" which have been prepared for adoption by the Council (TTE- Energy) on 28 February 2011. At its meetings on 14 December 2010 and 18 January 2011, the Working Party on Energy discussed the most recent estimates presented by the Commission on progress in energy efficiency, which are based on the information provided in the framework of the draft National Reform Programmes and on the subsequent information provided by the Member States. On the basis of this discussion it could be concluded that delegations do not support the setting of any additional targets, at EU level or at national level.

In its Annual Growth Survey, under the heading "Creating cost-effective access to energy", the Commission sets out a number of recommendations, notably that "Member States need to step up their energy efficiency policies". The Survey also contains a progress report on Europe 2020, which in relation to the energy efficiency objective states that a "preliminary assessment shows that cumulative efforts would fall significantly short of the EU overall target of reducing energy consumption by 20% by 2020".

Furthermore, on 26 January 2011, the Commission presented the last of the "flagship initiatives" it had announced under the Europe 2020 strategy, entitled "A resource-efficient Europe" (5869/11). As one of the medium-term measures, the Commission intends to present an energy efficiency plan with a time horizon of 2020 which will set out possible measures to achieve energy savings of 20% across all sectors, and which will be followed by proposals for legislation. The presentation by the Commission of the energy efficiency plan is announced for the 1st quarter 2011.

The Presidency envisages to prepare Council conclusions on the basis of the Commission's Communication for adoption at the meeting of the Council (TTE - Energy) on 10 June 2011.

It should be noted that Member States will have to produce, for the second time around, National Energy Efficiency Action Plans under the Energy Services Directive 2006/32/EC not later than 30 June 2011, which should give a more up-to-date view of planned energy efficiency improvement measures.

Renewable energy

In relation to **renewable energy**, the Commission estimated that the EU is broadly on track to meet the 20% target, as stated in its Communication on "Energy 2020: A strategy for a competitive, sustainable and secure energy" of November 2010 (16096/10). In its more recent Communication entitled "Renewable Energy: Progressing towards the 2020 target" (5965/11+ADD 1-3), the Commission expresses the view that, if all production forecasts are fulfilled, and subject to full implementation of Member States' National Renewable Energy Action Plans and to improvements such as faster progress in developing the electricity grid, the overall share of renewable energy in the EU will exceed the 20% target in 2020. The Working Party on Energy, at its meeting on 8 February 2011, heard a presentation of this Communication by the Commission and discussed its findings.

II. QUESTIONS FOR THE EXCHANGE OF VIEWS

In the light of the overall context described above, the Presidency invites the Council (TTE - Energy) on 28 February 2011 to address the following questions focusing on **energy efficiency** and **renewable energy**, with a view to contributing to the European Semester exercise:

- 1. How do you assess the statements made in relation to the *Europe 2020* energy objectives in the 2011 Annual Growth Survey?**

- 2. How feasible do you consider the achievement of the EU headline target in relation to energy efficiency and renewable energy in the light of the assessment contained in the *Europe 2020* Progress Report?**

- 3. With a view to achieving the *Europe 2020* objectives, what do you consider to be the most urgent measures to be taken in the fields of energy efficiency and renewable energy and brought to the attention of the Spring European Council?**