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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
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Subject:	CONCLUSIONS on the response to the COVID-19 pandemic in the EU energy sector – road to recovery - Council Conclusions (25 June 2020)

Delegations will find in the annex the Council Conclusions on the response to the COVID-19 pandemic in the EU energy sector – road to recovery, approved by written procedure by the Council of the European Union on 25 June 2020.

The statements by Malta; and Germany, Belgium, Hungary, Czech Republic are reproduced in the Annex I to this document.

ANNEX

COUNCIL CONCLUSIONS

on the response to the COVID-19 pandemic in the EU energy sector

– road to recovery

1. NOTING that the members of the European Council came to an understanding on the video conference held on 23 April 2020[1] to work on a specific recovery fund dedicated to the COVID-19 crisis and targeted towards sectors and geographical parts of Europe most affected.

2. RECALLING the conclusions of the European Council on 12 December 2019[2], regarding the objective of achieving a climate-neutral EU by 2050, in line with the Paris Agreement.

3. RECALLING the Council conclusions on the Future of Energy Systems in the Energy Union to ensure the energy transition and the achievement of energy and climate objectives towards 2030 and beyond[3].

4. NOTING the Council conclusions on Climate Diplomacy[4].

[1] https://www.consilium.europa.eu/en/press/press-releases/2020/04/23/conclusions-by-president-charles-michel-following-the-video-conference-with-members-of-the-european-council-on-23-april-2020/
[2] EUCO 29/19
[3] 10592/19
[4] 5033/20

5. NOTING the Commission Communication of 27 May 2020 on the “Europe's moment: Repair and prepare for the next generation"[5].

6. RECALLING the Commission Communication of 11 December 2019 on "The European Green Deal"[6] and of 14 January 2020 on "The Sustainable Europe Investment Plan and European Green Deal Investment Plan"[7].

THE COUNCIL OF THE EUROPEAN UNION:

7. Above all, APPRECIATES the staff in the energy sector for their dedicated and effective efforts to ensure continuous operation of the European energy system during the COVID-19 pandemic.

Preparedness

8. WELCOMES the resilience of the European energy system which avoided any supply disruption and UNDERLINES that this resilience is the result of robust preparedness measures; and NOTES the contribution of the internal energy market to this resilience; however, NOTES the need to remain vigilant to ensure continued reliability of the energy systems in case of a prolonged crisis.

9. RECALLS the importance of energy security for the functioning of essential services and society in general and UNDERLINES the need for continuous efforts to strengthen EU’s energy security.

[5] COM(2020) 456 final
[6] COM(2019) 640 final
[7] COM(2020) 21 final

10. EMPHASISES the need to continue EU's efforts to enhance nuclear safety and environmental standards in neighbouring third countries.

11. STRESSES the need for uninterrupted cross-border mobility of essential energy workers and for reliable supply chains of equipment in order to maintain and operate critical energy infrastructure, build energy projects and preserve the resilience of the energy system.

12. EMPHASIZES the importance of information exchange and knowledge sharing to ensure continuity of operations while protecting health and safety of all citizens. WELCOMES in this context the recent coordination efforts in the Electricity, Gas, Oil Coordination Groups and the European Nuclear Safety Regulators Group (ENSREG). NOTES the effectiveness of these coordination bodies and ENCOURAGES further sharing of good practices identified.

Road to recovery

13. EMPHASISES the energy sectors' essential role in contributing to the EU's economic recovery. The necessary economic transformation towards sustainable growth and climate neutrality, building on the European Green Deal, is a major opportunity to stimulate the Member States' economies and gradually reduce the use of fossil fuels and to further promote European leadership in developing and deploying safe and sustainable low-carbon technologies in a cost-efficient manner while respecting the Members State's right to choose their energy mix and appropriate technologies. NOTES that the European economy needs to become greener, more circular and more digital while remaining competitive globally.

14. HIGHLIGHTS the importance of prioritising energy efficiency for enhancing the economic recovery.

15. ACKNOWLEDGES the ongoing work at European and national level on economic recovery, and the need for initiatives to support a robust recovery plan, towards an affordable, safe, competitive, secure and sustainable energy system.

16. CONSIDERS important in the current circumstances to streamline the state aid rules for environmental protection and energy in order to facilitate support for investments necessary for energy transition.

17. NOTES that the energy sector will require investments, particularly in energy efficiency (including renovation of buildings and heating and cooling systems), renewable energy (including offshore), integration of the energy systems, energy storage, electrification, cross-border interconnections and digitalisation as well as for completing key energy infrastructure projects that intend to help the EU to achieve its energy policy and climate objectives.

18. EMPHASIZES the central role of the National Energy and Climate Plans (NECPs) for the economic recovery and for prioritizing the necessary future investments to reach the climate neutrality target. NOTES also the need to further incentivise and provide a level playing field for future decarbonisation investments, including through the continued functioning and improvement of the EU carbon market while developing a Carbon Border Adjustment Mechanism in WTO compatible way.

19. CALLS on the Commission to continue its work in cooperation with the Member States on initiatives planned in the framework of the European Green Deal and its Investment Plan, such as the Renovation Wave, EU Strategy on Energy System Integration, the Offshore Renewable Energy Strategy, the review of the Regulation on guidelines for trans-European energy infrastructure ("TEN-E") and the Renewable Energy Financing Mechanism.

20. ACKNOWLEDGES that the Renovation wave may contribute significantly to the economic recovery and RECOGNISES the potential of building renovations for energy efficiency and local renewables deployment. IDENTIFIES the need to coordinate national measures and exchange best practices to accelerate energy renovation and the development of technologies, as well as to improve access to local finance and to increase skilled labour force necessary for a surge in renovations. CALLS on the Commission to adopt a holistic approach to the renovation wave by stimulating renovation, digitalisation and improvement of district heating and cooling systems.

21. NOTES the need for adequate incentives for the energy renovation of buildings and UNDERLINES the importance to support and activate citizens and local communities and the continued focus on affordable and just transition and the need to support enterprises and regions as well as to address energy poverty by protecting vulnerable consumers.

22. ACKNOWLEDGES the importance of the EU Strategy on Energy System Integration to be at the heart of Europe's economic recovery with the aim to strengthen the necessary links among various sectors of the EU energy system. It will thus serve as a sustainable and cost-effective pathway to decarbonisation, by further empowering and supporting EU consumers to participate actively in the energy market, to reduce their energy consumption. It should prioritise energy efficiency and increase electrification, where it is technically feasible and cost-effective. Additionally, it could support EU leadership in innovation and the development of new business models and new technologies and energy carriers such as hydrogen. CALLS on the Commission to present an action plan and a roadmap for hydrogen with emphasis on renewable hydrogen to contribute to the energy transition.

23. HIGHLIGHTS that a strategic approach to Offshore-Renewable Energy could stimulate investments in this sector, having an important sustainable and inclusive growth and jobs creating potential. The Offshore Renewable Energy Strategy should address opportunities and challenges, development of energy grids and markets, management of maritime space and resources, as well as industrial policy, European cohesion and circular economy dimensions and thereby provide the basis for an EU enabling framework for Offshore Renewable Energy.

24. RECOGNISES the importance of innovative technologies for the economic recovery, competitiveness and decarbonisation.

25. UNDERLINES the importance of preserving and enhancing value chains in the EU, including renewables.

26. In view of the current review of the 2020 work programme due to the impact of the COVID-19 pandemic ENCOURAGES the Commission to maintain its ambitious timetable for the above-mentioned initiatives.

ANNEX I

STATEMENT BY MALTA

In general, Malta is in agreement with the Council Conclusions. We are committed to striving towards an energy transition and the achievement of the energy and climate objectives towards 2030 and beyond. Having said this, we would also like to put forward our Statement on the Carbon Border Adjustment Mechanism which we have already circulated prior to today's meeting. Malta stresses the need of having an impact assessment which should also analyse the economic and social impact of a future instrument, notably on the peripheral economies of the EU Member States, including islands, which are heavily dependent on importation. A future instrument should address the differences in the economic structure of Member States and consider implications on competitiveness for each respective Member State, whilst ensuring that it does not disproportionately increase the cost of living of citizens on the basis of location. This would ensure a more equitable solution.

STATEMENT BY GERMANY, BELGIUM, HUNGARY, CZECH REPUBLIC

Gemeinsame Erklärung von Deutschland, Belgien, Ungarn und der Tschechischen Republik

Die oben genannten Mitgliedstaaten verstehen den letzten Halbsatz von Ziffer 18 der vorliegenden Schlussfolgerungen des Energierates im Sinne der Schlussfolgerungen des Europäischen Rates vom Dezember 2019. In deren Ziffer 7 wird auf das Erfordernis hingewiesen, effektive und mit WTO-Recht vereinbare Maßnahmen zu entwickeln, um Carbon Leakage zu verhindern. Zugleich wird die Absicht der Europäischen Kommission zur Kenntnis genommen, für emissionsintensive Sektoren einen CO2-Grenzausgleichsmechanismus vorzuschlagen und einzuführen. Nach Auffassung der oben genannten Mitgliedstaaten sind zunächst eine umfassende Folgenabschätzung sowie eine ergebnisoffene Prüfung aller Optionen und möglicher Alternativen erforderlich. Aus der Sicht der oben genannten Mitgliedstaaten ist ein Austausch über alle möglichen Mechanismen zum Schutz vor Carbon Leakage unter den Mitgliedstaaten erforderlich, um die verschiedenen offenen Fragen wie WTO-Kompatibilität oder administrative Machbarkeit zu klären. Es sollte durch die Regelungen sichergestellt werden, dass ein level playing field für die europäische Wirtschaft geschaffen wird, solange weltweit noch unterschiedliche klimapolitische Ambitionsniveaus bestehen.