



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 9 July 2008

10442/08

LIMITE

PV/CONS	38
TRANS	194
TELECOM	97
ENER	186

DRAFT MINUTES

Subject: **2875th** meeting of the Council (**TRANSPORT, TELECOMMUNICATIONS and ENERGY**), held in Luxembourg on 6 June 2008

CONTENTS

Page

1.	Adoption of the agenda.....	4
2.	Approval of the list of "A" items.....	4
3.	Internal Energy Market Package	4
	(a) Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/54/EC concerning common rules for the internal market in electricity	
	(b) Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/55/EC concerning common rules for the internal market in natural gas	
	(c) Proposal for a Regulation of the European Parliament and of the Council establishing an Agency for the Cooperation of Energy Regulators	
	(d) Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1228/03 on conditions for access to the network for cross-border exchanges in electricity	
	(e) Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1775/05 on conditions for access to the natural gas transmission networks	
4.	Climate-Energy Legislative Package	6
	(a) Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community	
	(b) Proposal for a Decision of the European Parliament and of the Council on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020	
	(c) Proposal for a Directive of the European Parliament and of the Council on the geological storage of carbon dioxide and amending Council Directives 85/337/EEC, 96/61/EC, Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC and Regulation (EC) No 1013/2006	
	(d) Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources	

5. International relations in the field of energy 7

 (a) EU-OPEC

 (b) Energy efficiency

 (c) Energy Community

 (d) Other initiatives

6. Any Other Business

 – The effects of rising oil prices on the European economy..... 8

ANNEX 10

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1. **Adoption of the agenda**

10085/08 OJ/CONS 33 TRANS 178 TELECOM 84 ENER 169

The Council adopted the above agenda.

2. **Approval of the list of "A" items**

10086/08 PTS A 29

The Council approved the list of "A" items set out in 10086/08.

The documents in item 7a) should read as follows :

Item 7a) : 5721/08 MAR 12 ENV 35 CODEC 90
 + REV 1 (ro)
 + REV 2 (lv)
 + **REV 4 (fr)**
 7730/08 CODEC 392 MAR 48 ENV 175

3. **Internal Energy Market Package**

(a) **Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/54/EC concerning common rules for the internal market in electricity**

- General approach
(Public deliberation pursuant to Article 8(1)(c) CRP)
13043/07 ENER 221 CODEC 948
9963/08 ENER 160 CODEC 662
+ COR 1

(b) **Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/55/EC concerning common rules for the internal market in natural gas**

- General approach
(Public deliberation pursuant to Article 8(1)(c) CRP)
13045/07 ENER 222 CODEC 949
9964/08 ENER 161 CODEC 663
+ COR 1 REV 1

- (c) **Proposal for a Regulation of the European Parliament and of the Council establishing an Agency for the Cooperation of Energy Regulators**
- General approach
(Public deliberation pursuant to Article 8(1)(c) CRP)
13046/07 ENER 223 CODEC 950
9965/08 ENER 162 CODEC 664
+ REV 1 (bg)
- (d) **Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1228/03 on conditions for access to the network for cross-border exchanges in electricity**
- General approach
(Public deliberation pursuant to Article 8(1)(c) CRP)
13048/07 ENER 224 CODEC 951
9966/08 ENER 163 CODEC 665
- (e) **Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1775/05 on conditions for access to the natural gas transmission networks**
- General approach
(Public deliberation pursuant to Article 8(1)(c) CRP)
13049/07 ENER 225 CODEC 952
9967/08 ENER 164 CODEC 666
9968/08 ENER 165 CODEC 667

Following a comprehensive debate on the basis of the Presidency compromise set out in 9968/08, the President could conclude that, although not all Member States could agree with all the elements of the package, the Council reached a broad agreement on the essential elements (recorded in 10513/08) of this internal energy market package. This broad agreement will be the basis for further work at working party and Permanent Representatives Committee level.

Austria and Germany noted that although they could agree to items a, d and e, they may have to reserve their positions on other items and noted further that the understanding reached on the issue of the level playing field would not mean that national measures preventing take-overs could be envisaged as they would be contrary to the EC Treaty. In relation to the same issue Portugal announced its intention to table a statement (see Annex), to which Denmark, Spain, the Netherlands and Poland have associated themselves:

4. Climate-Energy Legislative Package

- (a) Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community**
(Public deliberation, pursuant to Article 8(1)(c) CRP)
5862/08 ENV 52 ENER 29 IND 11 COMPET 31 MI 34 ECOFIN 34
TRANS 22 AVIATION 25 CODEC 105
- (b) Proposal for a Decision of the European Parliament and of the Council on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020**
(Public deliberation, pursuant to Article 8(1)(c) CRP)
5849/08 ENV 50 ENER 28 IND 10 COMPET 30 MI 33 ECOFIN 32
TRANS 20 CODEC 104
- (c) Proposal for a Directive of the European Parliament and of the Council on the geological storage of carbon dioxide and amending Council Directives 85/337/EEC, 96/61/EC, Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC and Regulation (EC) No 1013/2006**
(Public deliberation, pursuant to Article 8(1)(c) CRP)
5835/08 ENV 48 ENER 27 IND 9 CODEC 103

(d) Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources

(Public deliberation, pursuant to Article 8(1)(c) CRP)

5421/08 ENER 15 ENV 24 TRANS 15 AGRI 15 CODEC 58

– Progress report

– Policy debate

(Public deliberation, pursuant to Article 8(1)(c) CRP)

9648/08 ENV 307 ENER 152 IND 44 COMPET 187 MI 156 ECOFIN 189

TRANS 161 AVIATION 110 AGRI 144 CODEC 622

The Council took note of the progress report set out in 9648/08 and held a policy debate on the main issues outlined in this report.

5. International relations in the field of energy

(a) EU–OPEC

(b) Energy efficiency

(c) Energy Community

(d) Other initiatives

– Information from the Presidency / Commission

9408/08 ENER 142 ENV 293 RELEX 309

The Council took note of the information provided *inter alia* on the EU-OPEC Dialogue, the preparations for the International Partnership for Energy Efficiency Cooperation and the Energy Community.

On this occasion the Cypriot delegation made the statement contained in the Annex to these minutes.

6. Any Other Business

- **The effects of rising oil prices on the European economy**
10048/08 COMPET 199

The Council took note of the comments of the Portuguese delegation.

Re : Item 3 on the agenda

Internal Energy Market Package

**STATEMENT BY PORTUGAL, DENMARK, SPAIN, THE NETHERLANDS AND
POLAND**

"Since the beginning of the negotiation Portugal, the Netherlands, Denmark, Spain and Poland have considered that the admissibility of a third model of organisation of the energy market in the Community, distinct from the two alternatives put forward by the Commission, should be subject to three main pre-conditions:

- i) Strong safeguard clauses which could guarantee a true independence of the *transmission system operators*;
- ii) A targeted, robust and close in time revision clause assessing if the functioning of the third model – *Independent Transmission Operator* – provides for the same degree of integration, efficiency and openness similar to the ones granted in the original alternatives of the Commission's proposal (*ownership unbundling and Independent System Operator*);
- iii) Measures ensuring an equitable competition for Member States which have already *unbundled* their operators; promotion of a *level playing field* and preventing the energy undertakings within Member States which have chosen for the *ownership unbundling* to be purchased by *Vertically Integrated Undertakings*, should the respective Member States so wish.

It is in this very same sense that we interpret the text of the document of the general approach in its last indent part a), Effective Separation, which has to be now reflected in a proper article, common to the two directives, in the context of the preparation of their common position.

Portugal, the Netherlands, Denmark, Spain and Poland are encouraged by the opinion of the European Parliament's Industry, Research and Energy Committee; in particular the stated preference to the full ownership unbundling for both sectors (gas and electricity)."

Re : Item 5 on the agenda

International relations in the field of energy

STATEMENT BY CYPRUS

"On the enlargement of the Energy Community, and more specifically, with regard to the Negotiating Mandate concerning the accession of the Republic of Turkey to the Energy Community, Cyprus recalls its position reflected in a statement to the minutes during the adoption of decision No 10781/07. As things have remained unchanged, Cyprus is obliged to withhold its consent to the accession of Turkey to the Energy Community Treaty for the following reasons:

- On a political level, Turkey regrettably continues to oppose the accession of Cyprus in various international organizations contrary to its commitments under the Negotiating Framework. Moreover it has failed to implement its obligations arising from the Ankara Protocol vis-à-vis the Republic of Cyprus, and continues to apply discriminatory measures against Cyprus' interests. In this respect, it should also be noted, that Turkey has not yet taken any steps towards the normalisation of its relations with the Republic of Cyprus, since the beginning of its accession process with the EU, a necessary component of which is the recognition of ALL Member States of the Union.
- On a technical level, Turkey is far from fulfilling any of the obligations or commitments relevant to the purpose and goals of the Energy Community Treaty, conditions which must be fully respected prior to any decision concerning its accession. Cyprus hopes that all EU Member States will be receiving full, timely and updated reports on the progress of Turkey towards meeting these criteria.
- Finally, Cyprus notes with concern that, instead of submitting a formal application to join the Energy Community as requested by the Commission, Turkey is attempting to link the fulfilment of the necessary accession criteria with unrelated issues such as the opening of accession negotiations of the Energy Chapter. Cyprus sees no link between these two independent and unrelated issues, something which clearly points to the real intentions of Turkey in this particular case.

Cyprus hopes and expects that these legitimate concerns will be appropriately addressed and taken fully into consideration."