# EU2009.CZ

#### České předsednictví v Radě EU

Czech Presidency of the Council of the EU

Présidence tchèque du Conseil de l'UE

2009





# Priorities of the Czech EU Presidency 2009

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## PRIORITIES OF THE PRESIDENCY

- Economy
- European Union in the World
- Energy



## PRESIDENCY MOTTO

#### **EUROPE WITHOUT BARRIERS**

- Removing existing internal barriers within the EU, which prevent full use of EU potential
- Removing external barriers of international trade and global economy (liberalization) as well as in other cooperation with EU's neighbours and strategic partners



## **ENERGY**

- EU energy
  - EU energy security
  - Internal electricity and gas market
  - Energy efficiency and low-carbon energy sources
- Climate protection



# **CZ PRES Energy priorities**

- ✓ Reflection of recent gas dispute
- ✓ Internal energy market
- ✓ Second Strategic Energy Review
- Energy security
  - Emergency oil stocks
  - Security of gas supply
  - Electricity
- ✓ Energy efficiency



#### Reflection of recent gas dispute (I)

#### ✓ Course and impact of the crisis

- Beginning of January: complete interrupt of gas supply across Ukraine
- Ukraine and Russia blamed each other.
- CZ PRES and Commission requested immediate restoration of supplies, CZ PRES organized extraordinary meeting of EU Ministers, meetings in Moscow and Kiev

#### ✓ What did we find out?

- Not all the EU countries depend on Russian gas unified EU mechanisms would not work
- Worst impacts on Bulgaria, Slovakia, Romania, Austria; outside EU Moldova, FYROM
- Individual EU countries were able to speak the same of language
- Solidarity between EU Member States (e.g. CZ and SK) ⇒ reduced impacts on industry



#### Reflection of recent gas crisis (II)

What measures can we take?

#### ✓ Short term measures

- Provide reversal flow of gas not only from east to west, but also west to east
- Use "early warning mechanism" not only for supply, but also for transit
- Solidarity among EU Member States should go without saying

#### ✓ Long-term measures

- Inter-connectors between Member states ⇒ allows flexible reaction
- Strategic gas storage for certain regions
- Building-up of LNG terminals despite its high cost: way of diversification of suppliers
- There are other energy sources outside gas: nuclear, renewable sources
  - ⇒ we should think of the best way of composing our energy mix



## Internal Energy Market (I)

- ✓ Finalization of the legislative process of the 3rd liberalization package is
  the number one priority of CZ PRES
- ✓ European Parliament (EP) published many amendments to all 5 legislative proposals, which are often different from the Council common position
- ✓ Main contradictions between EP and the Council:
  - Common position of the Council regards unbundling, ITO and ISO as equal options – both for electricity and gas
  - Common position does not reflect consumer protection

#### whereas:

- > EP proposals in electricity: unbundling is OK, but rejection of ITO and ISO
- EP proposals in gas: unbundling and ITO is OK, but rejection of ISO
- > Consumer protection: EP amendments aim at enhancing consumer rights



## Internal Energy Market (II)

#### ✓ Next steps?

- EP amendments are now being discussed within the Council
- > 5 6 trialogues with EP and Commission are planned to start from 28th
  January 
  ⇒ convergence of the EP and Council position
- CZ PRES aims to finalize the Package in March/April

#### ✓ CZ PRES positions and goals?

- CZ PRES cannot withdraw the Council compromise in unbundling
- Both the ITO and the ISO option must be preserved
- Consumer protection: EP cannot intervene in the social policy of the Member States, that is their competence and their responsibility



## 2nd Strategic Energy Review

- ✓ Key topic of the document = Energy security
- ✓ The Review pronounces main issues of the current EU energy policy:
  - Diversification of supplies (
     more renewables), infrastructure demands –
     inter-connectors between Member States
  - External relations with main suppliers
  - Energy efficiency + 20 % until 2020
  - ♦ Optimal use of domestic energy sources, including coal and nuclear energy ⇒ reducing EU dependency on imported energy
- ✓ The EU Member States support this document
- ✓ The aim of CZ PRES is to reach consensus upon the Council Conclusions for the forthcoming Spring TTE Council, followed by the Spring European Council



#### **Energy Security – Emergency Oil Stocks**

- ✓ Among the legislative proposals published together with the Second Strategic Energy Review, we will focus on the Emergency Oil Stocks proposal
- ✓ In line with our priority of energy security
- ✓ CZ PRES would like to reach consensus with EP on this proposal; this agenda is planned both for the February and June TTE Council

#### ✓ Main features of the proposal:

- Methodology of calculation similar to IEA ⇒enhanced transparency, clear rules for all Member States; this in fact means increase of oil stocks
- Improved accessibility of all stocks
- Simplified legislation within this field



#### **Energy Security – Security of Gas Supply**

- ✓ Unlike oil stocks, emergency gas stocks are not obligatory
- ✓ Now Directive 2004/67/EC: certain measures should be taken when gas supply is seriously disturbed
- ✓ Member states are obliged to undergo certain steps in the event of crisis
- ✓ The Commission is currently assessing implementation of this Directive
- ✓ If appropriate, new steps will be taken including proposal for a revision of the existing Directive – in order to enhance the effects of the measures
- ✓ CZ PRES is strongly in favour of this revision
  - More precise definition of serious disruption of supplies
  - More effective short-term mechanisms of solidarity clear rules for all Member States
  - Not only the whole EU, but also regions (⇒ only some EU countries involved in recent gas dispute)



## **Energy Security - Electricity**

- ✓ Electricity is specific unlike oil and gas, we cannot stock it
- ✓ EU domestic production can still cover its consumption
- ✓ In future, security of supply will depend on balanced operation of different types of power plants

#### ✓ Which way will CZ PRES go?

- Internal energy market will have positive impact on infrastructure and international transmission – enhanced solidarity among EU Member States
- Unified mechanism to prevent crisis possibility to switch off wind farms in order to preserve stability of transmission grid
- > CZ PRES will open a debate on the possible introduction of single transparent tariff for international transmission of electricity
- ➤ Supporting Presidency event: Conference "In Search for Security of Energy Supply of the EU Member States on the Common Electricity Market" Ostrava, 29th-30th January 2009



#### **Energy Efficiency (I)**

#### The Eco-Design Directive

- ✓ Revision of the Eco-design Directive:
  - ✓ Proposal issued in July 2008
  - ✓ Aim of the proposal: extension of the scope of the directive, not only electrical appliances but also all products somehow connected with consumption of energy
  - General approach has been reached at the TTE Council in December
- ✓ Eco-design will be one of the topics of the TTE Council in June 2009 under CZ PRES
- ✓ CZ PRES will attempt to conclude this agenda in the first reading



## **Energy Efficiency (II)**

#### November Energy Efficiency Package

- > Revision of the Buildings Directive
- Revision of the Energy Labelling Directive
- Proposal for a Directive on Labelling of Tyres
- ✓ These three proposals were issued in November 2008, together with the 2<sup>nd</sup> Strategic Energy Review
- ✓ CZ PRES will prepare progress report on TTE Council in June, while energy efficiency is a priority area of forthcoming SE PRES

# Thank you for your attention



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