EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 3 September 2014

TEXTE EN

MINUTES

of the 2095th meeting of the Commission

held in Brussels

(Berlaymont)

Wednesday 23 July 2014

(morning)

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Single sitting: Wednesday 23 July 2014 (morning)

The sitting opened at 9.04 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Baroness ASHTON	High Representative/ Vice-President	Items 1 to 9
Mr ALMUNIA	Vice-President	
Mr KALLAS	Vice-President	Items 1 to 10
Ms KROES	Vice-President	Items 1 to 10 (in part)
Mr ŠEFČOVIČ	Vice-President	Items 1 to 9 (in part)
Mr BARNIER	Vice-President	
Mr OETTINGER	Vice-President	
Mr KATAINEN	Vice-President	Items 1 to 10 (in part)
Mr POTOČNIK	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	Items 1 to 10
Mr DE GUCHT	Member	Items 1 to 10 (in part)
Ms GEOGHEGAN-QUINN	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	Items 1 to 10 (in part) and 11
Mr HAHN	Member	Items 1 to 10 (in part)
Ms HEDEGAARD	Member	
Mr FÜLE	Member	Items 1 to 10 (in part)
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOȘ	Member	Items 1 to 10 (in part)
Mr BORG	Member	
Mr MIMICA	Member	
Mr NELLI FEROCI	Member	
Ms REICHERTS	Member	
Mr DOMINIK	Member	

Absent:

Mr PIEBALGS	Member

The following sat in to represent absent Members of the Commission:

Ms RAY	A member of Mr PIEBALGS's staff

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	Items 9 to 11
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 10 (in part) and 11
Ms BENÍTEZ SALAS	Bureau of European Policy Advisers	
Mr SOBRAL	Deputy Chef de cabinet to the PRESIDENT	
Ms VANNINI	Adviser in the PRESIDENT’s Office	
Mr MARTÍNEZ MONGAY	Chef de cabinet to Mr ALMUNIA	
Mr O'DONOHUE	Deputy Chef de cabinet to Ms KROES	Items 10 (in part) and 11
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	
Ms KOSKA	A member of Mr OETTINGER's staff	
Ms WEYAND	Secretariat-General	Items 1 to 10
Mr JOHNSTONE	Secretariat-General	Items 1 to 10
Mr RISTORI	Director-General, DG Energy	Items 1 to 10

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

The PRESIDENT opened the meeting by remembering the victims of the air disaster on 17 July when a Malaysia Airlines plane was shot down while flying over eastern Ukraine. He proposed that before returning at more length to the subject of this distressing event, the Commission should observe a minute's silence in solidarity with the Netherlands, which had declared that day a national day of mourning. He included the memory of victims from other Member States and from non-EU countries in this minute of reflection.

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1. AGENDA
(OJ(2014) 2095/FINAL)

The Commission took note of that day's agenda. It also took note of the addition to the agenda of items 8.8, 8.9, 8.10, 8.11, 8.12, 8.13 and 8.14, on administrative decisions.

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2014) 2095)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 18 July.

3. MINUTES OF 2094TH MEETING (15 JULY)
(PV(2014) 2094)

The Commission approved the minutes of its 2094th meeting.

4. INTERINSTITUTIONAL RELATIONS

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Request by the Swiss authorities for renegotiation of the Agreement of 21 June 1999 between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons.
(SI(2014) 290)

The Commission approved the line set out in SI(2014) 290.

ii) Withdrawal of written procedure (PE/2014/4597) on a Commission Implementing Regulation amending and correcting Regulation (EC) 1235/2008 laying down detailed rules for implementation of Council Regulation (EC) 834/2007 as regards the arrangements for imports of organic products from third countries
(SI(2014) 297 and /2)

The Commission approved the line set out in SI(2014) 297/2. It decided not to adopt the Implementing Regulation that was the subject of the written procedure PE/2014/4597.

iii) Trade Marks Package – Amendment of Council Regulation (EC) 207/2009 of 26 February 2009 on the Community Trade Mark (Regulation) – 2013/0088 (COD) / Approximation of the laws of the Member States relating to trade marks (Directive – recast) – 2013/0089 (COD)
(SI(2014) 300 to /3)

The Commission approved the line set out in SI(2014) 300/3.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business
(SI(2014) 305)

The Commission took note of the information in SI(2014) 305 on the Council meetings between 23 and 31 July.

4.3. RELATIONS WITH PARLIAMENT

v) Results of the July II part-session of Parliament
(SP(2014) 474)

The Commission took note of the information on the proceedings of the part-session of Parliament held in Strasbourg on 14 and 17 July, as set out in SP(2014) 474.

vi) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature
(SP(2014) 490)

The Commission took note of SP(2014) 490, drawn up following the July II part-session of Parliament.

4.4. RELATIONS WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS, THE EUROPEAN OMBUDSMAN AND NATIONAL PARLIAMENTS

vii) Action taken on opinions of the European Economic and Social Committee – 2nd two-month period 2014 (March and April)
(SC(2014) 28)

The Commission approved the replies to the opinions adopted by the Economic and Social Committee during the second two-month period of 2014 contained in the document distributed as SC(2014) 28, for transmission to the European Economic and Social Committee.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2014) 434 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 July.

5.2. EMPOWERMENT (SEC(2014) 435 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 July.

5.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2014) 436 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 14 and 18 July, as archived in e-Greffe.

5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2014) 437 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 22 and 25 July.

5.5. GENERAL EMPOWERMENT AND DELEGATION OF POWERS TO ADOPT CERTAIN DECISIONS RELATED TO THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS FOR THE 2014-2020 PROGRAMMING PERIOD (C(2014) 5167)

The Commission decided:

- in accordance with Article 13 of its Rules of Procedure, to empower the Members of the Commission with responsibility for the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, each in the areas for which they are responsible, to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 21 of C(2014) 5167, under the terms set out in that document;

- in accordance with Article 13 of its Rules of Procedure, to empower the Members of the Commission with responsibility for the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), each in the areas for which they are responsible, to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 22 of C(2014) 5167, under the terms set out in that document;

- in accordance with Article 13 of its Rules of Procedure, to empower the Members of the Commission with responsibility for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), each in the areas for which they are responsible, to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 23 of C(2014) 5167, under the terms set out in that document;

- in accordance with Article 14 of its Rules of Procedure, to delegate to the Director-Generals with the responsibility for the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, each in the areas for which they are responsible, the power to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 24 of C(2014) 5167, under the terms set out in that document;

- in accordance with Article 14 of its Rules of Procedure, to delegate to the Director-General of the Directorate-General for Agriculture and Rural Development the power to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 25 of C(2014) 5167, under the terms set out in that document;

- in accordance with Article 14 of its Rules of Procedure, to delegate to the Director-General of the Directorate-General for Maritime Affairs and Fisheries the power to adopt, on behalf of the Commission and under its responsibility, the decisions listed in point 26 of C(2014) 5167, under the terms set out in that document.

5.6. DELEGATION OF POWERS FOR THE ADOPTION OF COMMENTS MADE PURSUANT TO ARTICLE 8(2) OF DIRECTIVE 98/34/EC LAYING DOWN A PROCEDURE FOR THE PROVISION OF INFORMATION IN THE FIELD OF TECHNICAL STANDARDS AND REGULATIONS (C(2014) 5173)

In accordance with Article 14 of its Rules of Procedure, the Commission decided to delegate to the Director-General of the Directorate-General for Enterprise and Industry the power to adopt, on behalf of the Commission and under its responsibility, comments sent to the Member States pursuant to Article 8(2) of Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations, under the terms set out in C(2014) 5173.

6. COMMISSION DECISION ON A PROCEDURE UNDER ARTICLE 4(1) AND ARTICLE 7(1) OF COUNCIL REGULATION (EC) 139/2004 ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS (CASE COMP/M.7184 – MARINE HARVEST/MORPOL)
(C(2014) 5089 TO /6; RCC(2014) 70)

The Commission:

– took note of the opinion of the Advisory Committee on Concentrations of 7 July in C(2014) 5089/3;

– took note of the final report of the Hearing Officer of 10 July in C(2014) 5089/4;

– adopted, in the authentic language (English), the decision in C(2014) 5089/6 finding that the undertaking to which the decision was addressed had infringed Article 4(1) and Article 7(1) of Council Regulation (EC) 139/2004 and imposing a fine of €20 000 000 on this undertaking;

– decided to notify the decision set out in C(2014) 5089/6 to the undertaking concerned, together with the final report of the Hearing Officer and the opinion of the Advisory Committee on Concentrations;

– decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's report, would be published in the official languages of the Union in the *Official Journal of the European Union* (with business secrets and other confidential information removed);

– decided to make the decision (with business secrets and other confidential information removed) also accessible on the Internet.

7. DECISION BY THE PRESIDENT OF THE COMMISSION OF 17 JULY ON THE ORGANISATION OF RESPONSIBILITIES OF THE MEMBERS OF THE COMMISSION (C(2014) 5177)

The PRESIDENT welcomed Mr Jyrki KATAINEN, Mr Ferdinando NELLI FEROCI, Ms Martine REICHERTS and Mr Jacek DOMINIK who were attending a meeting of the Commission for the first time. On behalf of himself and the whole College he congratulated them on their appointment to the Commission and on their performance at the hearings organised as part of the consultation with the European Parliament regarding these appointments under Article 246 of the Treaty on the Functioning of the European Union.

He stressed the importance of the responsibilities he had decided to confer upon them within the Commission and said he was certain that, given their long experience, they would make a significant contribution to the College's work.

He also thanked Mr KALLAS, Mr BARNIER, Mr PIEBALGS and Mr HAHN for the extra responsibilities they had taken on during the transition phase.

The Commission echoed these words of welcome to Mr KATAINEN, Mr NELLI FEROCI, Ms REICHERTS and Mr DOMINIK.

The PRESIDENT drew the Members' attention to all the work that still remained to be accomplished in the last 100 days of this Commission's term. He stressed that the Commission could make progress in important areas − to say nothing of new initiatives − as demonstrated by the proposals to be adopted that day on energy efficiency to complete the framework of energy and climate policies for 2030 presented in January in preparation for the October European Council. Furthermore, he noted that many Members of the Commission would take part in the launch of programmes under the new 2014-2020 Multiannual Financial Framework. In particular, the partnership agreements and operational programmes under the structural and investment funds were in the process of being finalised. He also noted that negotiations on the 2015 budget would take place over the coming months, under the responsibility of Mr DOMINIK.

He also mentioned the worrying turn of events in the Ukraine crisis, which would require continued commitment and vigilance from everyone. He could not rule out convening a special meeting of the Commission in August, in particular if the situation in Ukraine continued to deteriorate. He noted that the Members of the Commission on standby duty for the month of August would thus be taking on an important responsibility and thanked Mr NELLI FEROCI, Ms REICHERTS, Mr BARNIER, Mr DE GUCHT, Mr PIEBALGS and Mr BORG for agreeing to do so.

The PRESIDENT noted, finally, that the special meeting of the European Council of 16 July had not been able to conclude its work on the appointment of the next President of the European Council and the next High Representative of the Union for Foreign Affairs and Security Policy. He informed the Members of the Commission that Mr Van Rompuy would continue his consultations and that another special meeting of the European Council would be held on Saturday 30 August in order to come to a decision on these two appointments. He specified that the date on which the next Commission would take up its duties was still 1 November and he invited the Members of the Commission to get ready ahead of that date to hand over to the President-elect, Mr Jean-Claude Juncker, and his team.

The Commission took note of this information and of the decision by the PRESIDENT of 17 July on the organisation of responsibilities of the Members of the Commission set out in C(2014) 5177 and amending in part the decisions by the PRESIDENT of 10 February 2010, 27 October 2011, 28 November 2012 and 1 July 2013, in C(2010) 1000, C(2011) 8000/2, C(2012) 8950 and C(2013) 3898.

8. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2014) 438 TO /3)

ADMINISTRATIVE MATTERS
(PERS(2014) 110 TO /3)

8.1. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF THE LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS TO JAPAN, TO THE UNITED NATIONS IN NEW YORK, TO THE WORLD TRADE ORGANISATION IN GENEVA, TO THE UNITED NATIONS IN GENEVA AND TO THE INTERNATIONAL ORGANISATIONS IN VIENNA (PERS(2014) 111; PERS(2014) 112; PERS(2014) 113; PERS(2014) 114; PERS(2014) 115)

Having taken note of the information in point 1 of PERS(2014) 110/2, the Commission, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the lists of candidates for the posts of Head of the European Union Delegations to Japan (at grades AD15/16-AD/15), to the United Nations in New York (at grades AD15/16-AD/15), to the World Trade Organisation in Geneva (at grades AD15/16-AD/15), to the United Nations in Geneva (at grades AD14/15-AD/14) and to the international organisations in Vienna (at grades AD13/14-AD/13) set out respectively in PERS(2014) 111, PERS(2014) 112, PERS(2014) 113, PERS(2014) 114 and PERS(2014) 115; these lists would serve as a basis for the competent authority of the European External Action Service to make the final appointments.

This decision would take effect immediately.

8.2. *DG ENERGY – AMENDMENT OF THE ORGANISATION CHART AND APPOINTMENT OF A PRINCIPAL ADVISER*

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr OETTINGER, the Commission decided:

– to approve the creation of a temporary post of principal adviser in DG Energy; this post would be abolished upon departure of the job holder;

– to fill that post by transferring in the interest of the service under Article 7 of the Staff Regulations, Ms Anne HOUTMAN, an AD15 official and currently Head of the European Commission Representation in France (Paris) in the Directorate-General for Communication.

This decision would take effect on 1 September 2014.

8.3. *OFFICE FOR INFRASTRUCTURE AND LOGISTICS – BRUSSELS – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2014) 13 TO /3)*

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the Office for Infrastructure and Logistics in Brussels (PERS(2014) 13).

It took note of the opinions of the Consultative Committee on Appointments of 10 and 20 February (PERS(2014) 13/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, it then decided to appoint Mr Marc MOULIGNEAU to the post.

This decision would take effect on 1 August 2014.

8.4. DG HEALTH AND CONSUMERS – TERMINATION OF THE SELECTION PROCEDURE FOR AN AD14/15 PRINCIPAL ADVISER POST (PERS(2013) 125 TO /3)

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr BORG, the Commission decided to terminate – without making any appointment – the internal selection procedure COM/2013/2128 for the post of Principal Adviser with special interest in Veterinary and Phytosanitary agreements.

This decision would take effect immediately.

8.5. JOINT RESEARCH CENTRE – AMENDMENT OF THE ORGANISATION CHART AND APPOINTMENT OF A PRINCIPAL ADVISER

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms GEOGHEGAN-QUINN, the Commission decided:

– to approve the creation of a temporary post of principal adviser in the Joint Research Centre, directly attached to the Director-General in Brussels; this post would be abolished upon departure of the job holder;

– to fill that post by transferring in the interest of the service under Article 7 of the Staff Regulations, Mr Thomas FANGHAENEL, an AD15 official and currently Director of the Institute for Transuranium Elements in Karlsruhe.

These decisions would take effect on 1 September 2014.

8.6. *DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY – APPOINTMENT OF AD14/15 AND AD14 (EU-28) DIRECTOR (PERS(2014) 56 TO /5)*

The Commission had before it applications under Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations for the post of Director of the 'Electronic Communications Networks and Services' Directorate in DG Communication Networks, Content and Technology (PERS(2014) 56, /2 and /3).

It took note of the opinions of the Consultative Committee on Appointments of 26 June and 2 July (PERS(2014) 56/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms KROES, it then decided to appoint Mr Anthony WHELAN to the post.

This decision would take effect on 1 August 2014.

8.7. *DG RESEARCH AND INNOVATION – TEMPORARY APPOINTMENT AS EXECUTIVE DIRECTOR OF THE JOINT UNDERTAKING* **BIO-INDUSTRIES**

The Commission took note of the information in point 7 of PERS(2014) 110/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms GEOGHEGAN-QUINN, decided to appoint Mr Barend VERACHTERT, an AD13 official and currently acting Head of Unit of the 'BioBased products and processing' unit in the Directorate General for Research and Innovation, to perform temporarily the duties of Executive Director of the Joint Undertaking *Bio-industries*, in addition to his current responsibilities and until such time as the Executive Director took up office.

This decision would take effect immediately, subject to the availability of the necessary budget resources.

8.8. DG ENERGY – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2014) 86 TO /5)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of Directorates A, B and C in DG Energy (PERS(2014) 86, /2 and /3).

It took note of the opinions of the Consultative Committee on Appointments of 1 and 11 July 2014 (PERS(2014) 86/4 and /5).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr OETTINGER, it then decided to appoint Mr Christopher JONES to the post.

This decision would take effect on 1 November 2014.

8.9. DG DEVELOPMENT AND COOPERATION - EUROPEAID – APPOINTMENT OF AD14/15 AND AD14 (EU-28) DIRECTOR (PERS(2014) 2/2 TO /8)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), (1)(b) and (2) of the Staff Regulations for the post of Director, 'Human and Society Development', in DG Development and Cooperation - EuropeAid (PERS(2014) 2/2 to /5 and /8).

It took note of the opinions of the Consultative Committee on Appointments of 2 and 6 June 2014 (PERS(2014) 2/6 and /7).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, Mr PIEBALGS and Mr FÜLE, it then decided to appoint Mr Koen DOENS to the post.

This decision would take effect on a date to be determined.

8.10. DG DEVELOPMENT AND COOPERATION - EUROPEAID – APPOINTMENT OF AD14/15 AND AD14 (EU-28) DIRECTOR (PERS(2014) 3/2 TO /7)

The Commission had before it applications under Article 29(1)(a)(i) and (iii), (1)(b) and (2) of the Staff Regulations for the post of Director, 'East and Southern Africa and ACP Coordination', in DG Development and Cooperation - EuropeAid (PERS(2014) 3/2 to /4 and /5).

It took note of the opinions of the Consultative Committee on Appointments of 2 and 6 June 2014 (PERS(2014) 3/6 and /7).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr PIEBALGS, it then decided to appoint Ms Sarah CLIFFE to the post.

This decision would take effect on 1 November 2014.

8.11. DG DEVELOPMENT AND COOPERATION - EUROPEAID – TERMINATION OF THE SELECTION PROCEDURE FOR AN AD14/15 DIRECTOR AND APPOINTMENT TO THE POST BY TRANSFER IN THE INTEREST OF THE SERVICE (PERS(2014) 4/2 TO /7)

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr PIEBALGS, the Commission decided:

– to terminate – without making any appointment – the internal and interinstitutional (COM/2014/321) and external (COM/2014/10349) selection procedure for the post of Director, 'Asia, Central Asia, Middle East/Gulf and Pacific', in DG Development and Cooperation - EuropeAid;

– to fill that post by transferring in the interest of the service, under Article 7 of the Staff Regulations, Mr Pierre AMILHAT, an AD15 official and currently Director, 'West and Central Africa', in DG Development and Cooperation - EuropeAid.

These decisions would take effect on a date to be determined.

8.12. DG DEVELOPMENT AND COOPERATION - EUROPEAID – APPOINTMENT OF AD14/15 DIRECTOR

On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr PIEBALGS, the Commission decided to fill the post of Director, 'West and Central Africa', in DG Development and Cooperation - EuropeAid by transferring in the interest of the service, under Article 7 of the Staff Regulations, Ms Carla MONTESI, an AD15 official and currently Director, 'Baltic Sea, North Sea and Landlocked Member States', in DG Maritime Affairs and Fisheries.

This decision would take effect on a date to be determined.

8.13. EUROSTAT – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2014) 48 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, 'National accounts, prices and key indicators', at Eurostat (PERS(2014) 48 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 12 May and 17 July 2014 (PERS(2014) 48/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, it then decided to appoint Ms Silke STAPEL to the post.

This decision would take effect on 1 August 2014.

8.14. EUROSTAT – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2014) 49 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, 'Social statistics', at Eurostat (PERS(2014) 49 to /2).

It took note of the opinions of the Consultative Committee on Appointments of 1 and 17 July 2014 (PERS(2014) 49/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Mr ŠEMETA, it then decided to appoint Mr Gallo GUEYE to the post.

This decision would take effect on 1 August 2014.

9. RELATIONS WITH NON-MEMBER COUNTRIES

9.1. SITUATION IN UKRAINE

The PRESIDENT returned to the tragedy involving Malaysia Airlines flight MH17 which had produced a death toll of almost 300, including many nationals of EU Member States. He informed the Members that official condolences had been sent on the Commission's behalf to the Dutch Prime Minister, the Malaysian Prime Minister and the families of the victims.

The focus now was on finding the victims' bodies and starting identification work once the remains had been handed over to the authorities of the states of which they were nationals.

Next, an independent, transparent international enquiry would be carried out to determine the causes of the tragedy and identify those responsible. The EU was counting on full and immediate cooperation from all regional players, including

Russia. Within that context, and following the handing-over of the black boxes to the Malaysian authorities, it was important to secure the crash site to prevent evidence which could be useful to investigators being compromised. Those responsible for what appeared to be a criminal act should be brought to justice.

The PRESIDENT said that this tragedy was a sharp reminder that the gravity of the events taking place in Ukraine should not be underestimated. Russia should end its logistical and military aid to the pro-Russian separatists and start cooperating to find a peaceful solution to the crisis. An appropriate response on the part of the EU was required.

At the previous week's extraordinary meeting, the European Council had agreed to extend the restrictive measures already in place and to suspend new financing operations in Russia by the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). The European Council had also invited the Commission to re-assess bilateral and regional cooperation programmes between the EU and Russia with a view to their suspension on a case-by-case basis, with the exception of cross-border cooperation and civil society projects.

The PRESIDENT feared that these measures might not prove sufficient, given that the separatists were still receiving military hardware and equipment.

He therefore welcomed the conclusion reached by the Foreign Affairs Council on the previous day that the EU should be ready to adopt targeted economic sanctions against Russia if it failed to take tangible measures to ensure that the victims' remains were treated properly, to facilitate the investigation and to prevent acts of violence in the area.

The Council had asked the Commission and the European External Action Service (EEAS) to present proposals covering access to European capital markets, defence, dual use goods and technologies and sensitive technologies, including in the energy sector. This request complemented the mandate given to the Commission by the European Council in March to examine various options for sectoral and general sanctions against Russia.

The Commission had carried out in-depth preparatory work, the results of which would be presented to the Member States without delay within the framework of the Permanent Representatives Committee (Coreper) before specific legislative measures were put forward.

A feasibility study had been produced by the Commission to identify the measures likely to have the greatest impact on Russia at minimum cost to the EU economy. Various options were being reviewed, as was the scope of a package of measures limited to the areas indicated in the Council conclusions.

It had been decided that these sanctions must be shared by different sectors and different Member States, and be modulable and reversible if Russia changed tack and decided to cooperate. The option of trade restrictions on energy products, especially oil and gas, should be ruled out, although Russia remained heavily dependent on revenue from exports in that sector. If that option were not ruled out, some Member States would suffer more than others from restrictions and probable retaliatory measures, which could have a major impact on energy prices and markets.

However, in the four proposed sectors, the EU's restrictive measures could have a real impact on Russia while minimising the risks for the economies of the Member States.

Russia needed EU and foreign capital and was dependent on European and US technology to develop new industries and penetrate new markets or production sectors with higher added value.

The specific measures put forward by the Commission would entail (i) restricting the access of financial institutions possessed by the Russian State to EU capital markets, (ii) prohibiting imports and exports of arms and military technology (new contracts), (iii) restricting EU exports of dual use goods to military end-users and (iv) introducing a system of prior authorisation for exports of sensitive technologies intended for strategic industrial projects.

It was for the Member States to choose the most practicable and politically feasible options and to decide when they would be put into effect. The proposed measures were compatible with those already adopted by the United States and envisaged by the other members of G7.

The PRESIDENT ended by noting that it was important for the EU to display unity in this crisis, which was the best way of providing it with leverage and credibility.

Baroness ASHTON added that nationals of several Member States were among the victims of flight MH17. The way that the crash site had been managed was disgraceful and the bodies should be repatriated as quickly as possible. The plane had probably been shot down by a Russian missile supplied to pro-Russian separatists. She reported on her recent talks with the Ukrainian Minister for Foreign Affairs, which had confirmed the gravity and complexity of the situation on the ground. She congratulated Mr OETTINGER on the work he had done on the energy aspects of the crisis and confirmed that the Commission had made a major contribution to managing the crisis. It might be necessary to hold an extraordinary European Council meeting in the next few weeks, depending on the future course of events in Ukraine.

Mr FÜLE welcomed the tightening up of restrictive measures against Russia, since in the short term such measures should aim to halt the flow of arms to the pro-Russian Ukrainian separatists. He raised the possibility that the planned embargo on arms exports might also cover existing contracts.

The Commission held an in-depth discussion on the repercussions of the crash of Malaysia Airlines flight MH17 and the restrictive measures being considered by the EU. It raised the following main points:

– condemnation of the shameful way in which the remains of the victims were treated at the scene by pro-Russian separatists, and the violation of the most elementary investigation rules and procedures, despite the fact that the black boxes had been handed over to the Malaysian authorities;

– the existence of a new situation as a result of the use of ground-to-air missiles by uncontrolled groups and the need to identify exactly where responsibility lay for supplying strategic military equipment to the pro-Russian separatists;

- the need to clarify the circumstances in which an airliner, easily recognisable as a civil aircraft, could have allegedly been mistaken for a military plane;

- the importance of providing EU support for other countries in the region affected by restrictive measures imposed by Russia, particularly Moldova;

- the case for monitoring economic and financial investments by Russia in the EU;

- the need to safeguard the security of the EU's energy supplies, particularly in the context of the discussions on stepping up sanctions against Russia, and maintaining a consistent position on the 'South Stream' gas pipeline;

- Russia's dependence on sophisticated equipment for the extraction of oil and gas.

The PRESIDENT brought the discussion to a close, highlighting his close cooperation with the President of the European Council, Mr Van Rompuy, during the Ukrainian crisis, and praised the efforts of the Support Group for Ukraine, Baroness ASHTON, Mr OETTINGER and Mr FÜLE. He pointed out that the decision regarding the most appropriate sanctions against Russia was now a matter for the Member States, based on proposals from the Commission. He concluded by insisting once again on the importance for the EU of presenting a united front to Russia, while maintaining an ongoing dialogue with it in order to defuse the crisis and promote a peaceful resolution of the conflict.

The Commission took note of this information.

9.2. IRANIAN NUCLEAR PROGRAMME

Baroness ASHTON reported on recent developments in the negotiations on Iran's nuclear programme, in which she had taken part in recent weeks in Vienna, in the presence of Iran's Foreign Minister and the so-called '5+1' group - the USA, the United Kingdom, France, Russia, China and Germany. The parties present had agreed to allow an extra four months, until 24 November, to reach a final agreement. Although tangible progress had been made in some areas, Baroness ASHTON nevertheless observed that considerable disagreements remained to be overcome on a number of key issues. She therefore welcomed the extension of the talks, adding that the negotiators were planning to meet on the fringes of September's United Nations General Assembly in New York.

The Commission took note of this information.

9.3. SITUATION IN THE GAZA STRIP

Baroness ASHTON turned to the current state of chaos in the Gaza Strip since the threatened strikes by the Israeli army, intended to neutralise Hamas's military capacity. She deplored in the strongest terms the high number of casualties on both sides, including hundreds of Palestinian civilians. She observed that these events would only exacerbate the already extremely difficult living conditions of the inhabitants of the Gaza Strip, which was very densely populated and faced enormous challenges, particularly in terms of infrastructure. She noted the efforts made by the Head of the Egyptian Government in particular, Mr Ibrahim Mahlab, to try to persuade the parties to agree to a cease-fire, as well as the work of the Secretary-General of the United Nations, Mr Ban Ki-moon. She recalled the numerous aid programmes that the European Union had traditionally provided to the Palestinian territory in general and Gaza in particular, to help their population and their refugees. She concluded by stressing the importance of pressing ahead tirelessly with any initiatives that might encourage a lasting political solution in this part of the world.

A brief discussion was held, in the course of which the following points in particular were raised: the extremely complicated nature of the situation on the ground; the urgent need to put an end to the bombardments as quickly as possible; the presence of armed groups other than Hamas in the region; the enormous needs that would have to be met when the time came for the reconstruction of Gaza; the need for the

EU to be present to help to ease tension in the region and to prevent violence from breeding further violence; the suggestion that thought be given to the possibility of a regional conference and the deployment of an international intervention force; a reminder of the indispensable role of Russia in the Middle East and in seeking diplomatic solutions to the various conflicts currently going on there; the need to closely monitor developments in Libya as well, a country in which the EU had invested a great deal in political terms and where the disruption was having an ever greater effect on migratory flows to southern Europe; and finally, more generally, the benefits of obtaining from Baroness ASHTON, if need be, a report on the operation and activities of the European External Action Service (EEAS) since its inception.

Baroness ASHTON replied to some of these comments, stressing the role of the United States in attempting to ease tension between the Israelis and the Palestinians. On the question of Libya, she said that she would be attending a meeting with some of those concerned on the following day. She concluded by expressing satisfaction that in a few short years the EEAS had established its position in the institutional landscape thanks to the quality, competence and dedication of its staff, even though certain aspects of its operations could still be improved here or there over time.

Replying to a question, she discussed the fate of the schoolgirls abducted a few months before in Nigeria by the Islamist group Boko Haram, explaining that some of them had recently managed to escape from the place where they were being held, and referred to the support provided by the EU, some of its Member States and the US with a view to resolving the issue.

The Commission took note of this information.

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – ENERGY EFFICIENCY AND ITS CONTRIBUTION TO ENERGY SECURITY AND THE 2030 FRAMEWORK FOR CLIMATE AND ENERGY POLICY
(COM(2014) 520 TO /4; SWD(2014) 255; SWD(2014) 256; RCC(2014) 69)

The PRESIDENT opened the debate by presenting the dual objective of the communication being tabled that day. He began by reviewing the progress made by the Union towards achieving a 20% improvement in its energy efficiency by 2020 as part of the energy and climate package launched in 2007. He was pleased to note that, according to the latest figures, the European Union was well on the way to achieving this target.

He then turned to the target for energy efficiency gains to be made by 2030, which would complement and complete the 2030 Framework for climate and energy policies put forward by the Commission in January. The Framework provided for a headline target of reducing greenhouse gas emissions by 40% and a target of sourcing at least 27% of energy consumed from renewables.

The PRESIDENT explained that the practical challenge was to build on the constructive negotiations which had taken place at head of state or government level during the European Council meetings in March and June, in order to reach an overall agreement on the entire 2030 Framework in October and to define the European Union's position ahead of the UN climate conference in 2015. For this reason it made sense to present a proposal on energy efficiency that was sufficiently balanced to secure the unanimous support of the heads of state or government. He listed the various factors that would have to be adjusted and reconciled to achieve this aim, and in particular the vital role that energy efficiency would have to play in the Union's climate and energy strategy, the need to address the major concern of energy security and the trade-off to be made between the costs required in order to achieve the expected efficiency gains and the benefits which they would bring in the medium and long term.

He stressed the coherence between the Communication and the Framework proposed by the Commission in January in terms of approach, criteria chosen and political strategy, and hence the idea of setting a target figure for energy efficiency gains to be achieved at EU level by 2030, while leaving Member States a degree of flexibility as to the choice of means.

The PRESIDENT stressed that the costs the Member States would incur as a result of investing in energy efficiency would vary significantly, depending on the progress each country had already made under the 2020 energy and climate package. Given that the question of how these costs were to be fairly shared would undoubtedly be central to the discussions at the European Council in October, he warned against setting an overly ambitious target which would place too great a burden on certain Member States or sectors. Although the Union had significant resources to support the Member States' efforts in the field of energy and climate change policy, for example in the Structural Funds, it was essential to evaluate the specific commitments that would have to be made in order to reach the ambitious target agreed at political level.

Mr OETTINGER then took the floor and reiterated the various reasons for setting a quantified target for energy efficiency gains in the post-2020 period that was both ambitious and balanced. The Union was the largest energy importer in the world, so an increase in energy efficiency would be a powerful means of enhancing the security of its energy supplies, a challenge made more pressing than ever by the recent geopolitical upheavals. There was also the important knock-on effect which such a political target could have on industrial innovation, household investment in state-of-the-art energy equipment and the optimisation of production processes in Europe. Global demand for energy-efficient technologies was increasing all the time and Europe had considerable expertise in this field which it needed to exploit, given the economic potential in terms of job creation and export opportunities.

He, too, advocated an approach that was likely to win the support of the heads of state or government. He set out the results of studies which had been carried out to determine the best possible compromise between, on the one hand, the divergent costs which the various scenarios for quantified objectives would entail for the Member States, given the sometimes considerable differences in their energy efficiency performance, and, on the other, the efforts needed to achieve the headline target of reducing greenhouse gas emissions by 40% and the political imperative of greater energy independence for the Union.

Mr OETTINGER stressed the importance of ensuring that the stated ambitions were duly translated into practical implementing measures in the Member States. He regretted, for example, that certain key pieces of legislation − including the Energy Efficiency Directive adopted in 2012 and the revised Energy Performance of Buildings Directive adopted in 2010 − had still not been fully transposed. Yet full transposition of the Energy Efficiency Directive would enable the Union fully to meet the objective of a 20% increase in energy efficiency by 2020. Moreover, to minimise the inevitable time lag between investment decisions and the medium-term return on investment in the form of energy efficiency, he urged Member States to make full use of the new possibilities provided by the Multiannual Financial Framework 2014-2020, pointing out that the Structural Funds made provision for €38 billion for co-financing building renovations, in particular, during this period.

He concluded by pointing out that setting a clear framework for energy efficiency up to the year 2030, as proposed by the Communication, would promote investment security, which would help to attract private investment.

During the in-depth discussion which followed, the Commission raised the following main points:

General aspects of the proposal

- general support for the aim of sending a strong political signal and giving impetus to new advances in energy efficiency in the Union, following the logic of the strategy already applied up to 2020 for implementing a more sustainable energy policy at European level and combating climate change, on the one hand, and the 2030 Framework for climate and energy policies presented by the

Commission in January, on the other;

- a reference to the positive lessons to be drawn from the experience of implementing the energy and climate strategy for 2020 to date and the encouraging efficiency gains achieved on average in the Union and in those Member States which, according to the forecasts, should be very close to meeting the 20% target by the deadline;

- the political contribution which this new and very important initiative could make to reducing the Union's energy dependency, a goal seen as all the more necessary in the light of recent international developments; the fact that this policy could make the European Union the world leader in the field; the importance also of the initiative on climate change, which was another source of insecurity in the world; a reminder of the ultimate objective which was still to limit global warming by 2050 to 2 degrees above its 1990 level;

- the sensitive nature, nevertheless, of the issue for certain Member States and the need to strike a balance between the conditions that would make it possible to secure unanimous agreement at the European Council in October, with reasonable and feasible quantified targets, on the one hand, and a global strategic vision that aimed to position the European Union at the forefront of progress and to incorporate the growth, job creation, technological innovation and external policy dimensions, with ambitious quantified targets, on the other;

- support for the approach suggested in the Communication, which analysed various scenarios from a cost-effectiveness perspective based on objective data; the telling argument that a 1% additional energy efficiency gain corresponded to a 2.6% cut in the Union’s gas imports, thereby lowering its dependence on outside suppliers;

- a general regret, nevertheless, that the finalised impact assessment was only made available belatedly, making decision-making more difficult in a particularly important policy area;

- regret that the impact assessment only took account of the cost-efficiency aspect and not the economic opportunities arising from an energy efficiency policy, including for small and medium-size enterprises (SMEs), in sectors such as construction; the importance of emphasising and taking full advantage of this fundamental aspect, especially for those Member States experiencing economic difficulties and lagging behind in energy efficiency;

- a wish to take into account other advantages of the energy efficiency measures, in addition to economic gains, in particular in terms of environmental protection and the welfare of households; one suggestion was to consider the notion of 'monetising' the environmental advantages of an energy efficiency policy;

- the advantage of highlighting the potential effect of the initiative on energy prices for consumers, who would be directly concerned, in particular those suffering from 'energy poverty', who were still far too numerous in Europe;

The quantified target and the nature of that target

- the benefit of putting forward as carefully as possible a target figure representing a well-balanced trade-off between (i) the need to aim for a real transformation with a material knock-on effect, (ii) the need to take account of economic reality and the budgetary situation of Member States, without exacerbating the differences between them, (iii) for some, the advantages of a differentiated and flexible approach, (iv) misgivings about imposing yet more quantified targets on Member States, and (v) the fact that, beyond a certain level, there was a disproportionate increase in costs for each additional percentage point of an energy efficiency target, costs which, at the end of the day, were borne by consumers;

- the value, for some, of setting a target in the form of a percentage difference to make the system more flexible;

- the preference of some Commissioners for an indicative rather than a binding quantified target for energy efficiency for the Union as a whole for 2030; the possibility, for others, of considering a quantified target that was binding at European Union level only, but flexible in terms of objectives for the Member

States;

- the contradiction, noted by others still, that lay in setting binding quantified targets for each Member State within an area which did not yet have a common energy policy;

- a reminder of the fact that the legislation on the practical arrangements would be up to the next Commission, which would propose monitoring and follow-up measures based on the type of target chosen by the Council in October;

- the effect of increased energy efficiency among Member States on the functioning of the carbon dioxide emissions trading system (SEQE - ETS);

Costs

- the link to be made between the costs of implementing the proposal and the longer-term economic benefits deriving from the initial outlay for the Union and Member States and not just with the cost of inaction, which would be much higher;

- a reference, along the same lines, to the call for further progress made by certain Member States particularly hard hit by the crisis which had benefited from a European aid programme; the importance of explaining that the Member States with the most ground to make up were also those which had the most to gain from an ambitious energy efficiency policy, providing the right combination could be found between a quantified target and the nature of that target;

- the emphasis of others on the fact that the impact analysis did not address the issue of the breakdown of costs for the energy efficiency initiative among the various actors;

- in budgetary terms, the need to take account of the necessary transfers of public resources; in terms of the European budget, the leverage effect which the European Structural Funds earmarked for energy efficiency for the 2014-2020 period could have on private investment; the importance of responding to the major funding requirements which would arise in the event of a binding target, once the Structural Funds had been used up; the need to gauge the effect of any reallocation of resources on the other expenditure aimed at supporting competitiveness;

- the need to give thought to ways of helping Member States to develop capacity enabling them to meet the objectives; the notion of including future targets in the Commission's country-specific recommendations under the European Semester;

- the need to supplement national resources with a policy that would be conducive to private investment, hence the advantage of sending a clear message to economic actors; support for the idea of placing the burden mainly on those sectors which were not covered by the emissions trading system; the suggestion of making use of funding tools such as project bonds focused on the requirements of those Member States that were lagging behind the others; another suggestion that the broad involvement of the financial sector should be sought for implementing the proposal, for example by setting up joint ventures with energy suppliers; the argument that SMEs had great difficulty in obtaining credit in certain Member States.

Mr OETTINGER responded to various comments by explaining, firstly, that the impact assessment had been sent belatedly due to the large number of econometric studies carried out and he alluded, against this backdrop, to the *rendez-vous* clause proposed for 2017. However, he was of the opinion that, beyond the projections and current fluctuations in the energy outlook worldwide, it was the Commission’s duty to take a political decision and adopt an ambitious approach as it had done in 2007 in launching the energy and climate package with its three quantified targets (20% - 20% - 20%). In his view, the debate had revealed broad support for a European energy efficiency target rather than a series of national targets, and for a realistic approach.

The PRESIDENT drew the debate to a close, noting the Commission’s agreement on the principle of sending a strong political message to embark on a real effort towards energy efficiency at Union level. He also noted that there was a majority in favour of a compromise on a quantified target of 30% and of leaving the decision on the binding nature or otherwise of that target up to the Member States. He ended by emphasising that it was for the next Commission to propose legislation laying down the methods for implementing this initiative, the last segment completing the 2030 framework for the Union's energy and climate policy put forward by the current Commission.

The PRESIDENT also noted the Commission Members' agreement to inclusion of the following amendments to the English version of the communication distributed as COM(2014) 520/4:

– **on page 14, in Chapter 5, *The way forward*, the first sentence of the third paragraph is amended to read as follows:**

  '*As such the Commission considers that it is appropriate to maintain the existing momentum of energy savings and propose an ambitious energy efficiency target of 30%.';*

– **on page 16, in Chapter 6, *Conclusion*, the last two sentences of the last paragraph are amended to read as follows:**

  '*However, given the increased relevance of bolstering EU energy security and reducing the Union's import dependency, the Commission considers it appropriate to propose a higher target of 30%. This would increase the costs of the 2030 Framework by €20 billion per annum but would still deliver tangible economic and energy security benefits.'*

At the end of the discussion, subject to inclusion of the above amendments and to a final general clean-up of the text, the Commission approved the communication in COM(2014) 520/4 for transmission to Parliament, the Council and, for information, to the national parliaments, together with the impact assessment and the related summary contained in the staff working documents distributed as SWD(2014) 255 and SWD(2014) 256, respectively, the contents of which were noted.

The Commission's other discussions on this item are recorded in the special minutes.

11. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

11.1. STATE AID – INDIVIDUAL CASES
(SEC(2014) 444; C(2014) 5083/4; C(2014) 5079/4; C(2014) 5074/4; C(2014) 5081/4; RCC(2014) 68)

- **SA.35980 (2014/N) – UK –** ***Electricity market reform – Capacity market*** **– C(2014) 5083/4**

Decision: **No objections: aid compatible**

- **SA.36196 (2014/N) – UK –** ***Electricity market reform – Contract for difference for renewables*** **– C(2014) 5079/4**

Decision: **No objections: aid compatible**

- **SA.38758, SA.38759, SA.38761, SA.38763 and SA.38812 (2014/N) – UK –** ***Support for five offshore wind farms: Walney, Dudgeon, Hornsea, Burbo Bank and Beatrice*** **– C(2014) 5074/4**

Decision: **No objections: aid compatible**

- **SA.38632 (2014/N) – GERMANY –** ***EEG 2014: Reform of the renewable energy law*** **– C(2014) 5081/4**

Decision: **No objections: aid compatible**

Mr ALMUNIA presented the four decisions submitted to the Commission in state aid cases concerning renewable energy support schemes in Germany and the UK.

He began by explaining that the issues raised in connection with the German aid scheme (SA.38632 (2014/N)) had been examined at length during the discussions on the guidelines on state aid for environmental protection and energy for the period 2014-2020 adopted by the Commission in April, aimed at ensuring full compatibility with the single market. He then referred to the first open question, namely the particularly favourable treatment of self-generators under German law. The solution adopted in the draft decision was to provide for a transitional period up to 2017 for adaptation of the German scheme to the new EU guidelines, after which Germany would have to notify its aid scheme again to the Commission.

On the more general question, which related to both the German and UK cases, of arrangements for financing the schemes concerned, Mr ALMUNIA said that renewable energy support schemes were at present national in scope in the absence of a fully integrated EU energy market. In this context, national schemes were often financed by a levy, which was also payable on imported green electricity even though this electricity was not eligible for support in the country where it was consumed. Since this had required an in-depth analysis of the scheme's compatibility with the rules on the single market, in particular Articles 30 and 110 of the Treaty on the Functioning of the European Union (TFEU), Germany and the UK had proposed solutions consisting of partially and gradually opening up the support schemes to imported renewable energy. While pointing out that the Commission must conduct a detailed analysis on a case-by-case basis in order to take into account the specific circumstances of each proposed support scheme, Mr ALMUNIA referred, by way of an example, to the solution adopted recently by the Commission with regard to a similar scheme in the Czech Republic. He acknowledged that the solution proposed that day in the German and UK cases fell short of the ideal of a genuine internal energy market, but felt nevertheless that it was an acceptable compromise under the circumstances.

With regard more specifically to the case concerning capacity mechanisms (SA.35980 (2014/N)), Mr ALMUNIA said that the UK authorities wished to introduce such mechanisms to mitigate the risk to which the UK might be exposed should it be unable to meet the demand for energy consumption in the event of overload from 2017 or 2018, particularly since the country also lacked sufficient interconnection capacity. The in-depth analysis carried out by his departments in the light of the specific criteria laid down in the new guidelines for capacity mechanisms concluded that the proposed mechanism was compatible. In view of the fact that there had been in-depth exchanges with the UK authorities about this case for more than a year and that the authorities had stated that they intended to open up the mechanism to interconnectors from 2015, Mr ALMUNIA proposed declaring this mechanism compatible with the internal market.

He also recommended, on the strength of the analysis of the other two UK cases tabled for examination that day, that the Commission confirm that the proposed support scheme for five off-shore wind farms and the contracts for difference of renewables were compatible with the internal market and in accordance with the above-mentioned guidelines.

During the discussion which followed, the Commission raised the following points: (i) its support for the determined efforts of Mr ALMUNIA and his departments to ensure that these complex schemes were as compatible as possible with the internal market; (ii) for some, however, questions about the potentially discouraging effect of such a detailed presentation of the analysis of the schemes' compatibility with Articles 30 and 110 TFEU, and therefore the suggestion that a sentence be deleted; (iii) a reminder that in decisions on existing renewable energy support schemes it was necessary to avoid any element that might cause a retroactive effect; (iv) as regards capacity mechanisms in general, certain questions as to how justified these mechanisms were; a reminder of the contradiction between these mechanisms and EU interconnection and energy efficiency targets; however, in the case of the UK, in particular, support for the approach presented in this specific context; (v) for others, a suggestion that the need to demonstrate the exceptional nature of these mechanisms should be pointed out more directly;

and (vi) emphasis of the scope of the approach adopted for analysing these first cases of specific application of the new guidelines.

Replying to these comments, Mr ALMUNIA stressed that the UK case was a special one since the country had to address the gradual removal of certain existing capacities, particularly in the nuclear sector, still used a lot of coal and currently had a low level of interconnection. However, he pointed out that the decision provided for increased interconnection in the UK in the coming years and that the current situation demonstrated the limitations of the EU internal energy market. He therefore considered that the capacity mechanisms could in fact become necessary to guard against serious energy supply shortages in the future, while approving the call for introduction of a fully integrated energy market.

With regard to the presentation of the compatibility analysis, he agreed to the removal of the sentence considered too detailed, while stressing the need to present clearly the factors taken into account in order to ensure that the decision was legally sound.

Winding up the discussion, the PRESIDENT noted the agreement to the following change to be made to the English language version of the decision distributed in C(2014) 5081/4, namely deletion of the last sentence of paragraph (324) on page 71.

Subject to inclusion of the above amendment, the Commission adopted the decisions in C(2014) 5083/4, C(2014) 5079/4, C(2014) 5074/4 and C(2014) 5081/4.

The Commission also adopted the decisions in SEC(2014) 444.

The Commission's other discussions on this item are recorded in the special minutes.

11.2. INFRINGEMENTS − MONTHLY DECISION-TAKING CYCLES − M07/2014 (SEC(2014) 445/2)

The Commission adopted the decisions in SEC(2014) 445/2.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 13.09.