



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2016) 2191 final

- *English language version of the French text which is authentic* -

Strasbourg, 13 December 2016

TEXTE EN

MINUTES

of the 2191st meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 30 November 2016

(morning)

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PV(2016) 2191 final

- *English language version of the French text which is authentic* -

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Single sitting: Wednesday 30 November 2016 (morning)

The sitting opened at 9.45 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	Items 1 to 19 (in part)
Ms MOGHERINI	High Representative / Vice-President	Items 1 to 19 (in part)
Ms GEORGIEVA	Vice-President	Items 1 to 19 (in part)
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Items 1 to 19 (in part)
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	Items 1 to 19 (in part)
Mr OETTINGER	Member	
Ms MALMSTRÖM	Member	Items 7 to 19
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BIENKOWSKA	Member	Items 1 to 19 (in part)
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	Items 1 to 19 (in part)
Ms VESTAGER	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	Items 1 to 19 (in part)

Absent:

Mr HAHN

Member

Ms BULC

Member

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

Mr KARNITSCHNIG	Chef de cabinet to Mr HAHN	Items 1 to 18
Mr ZAKONJSEK	Chef de cabinet to Ms BULC	Items 1 to 18

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	Items 1 to 18
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	Items 1 to 18
Ms METTLER	Head of the European Political Strategy Centre	Items 1 to 18
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	Items 1 to 18
Mr SZOSTAK	Adviser in the PRESIDENT's Office	Item 18
Mr THOLONIAT	Adviser in the PRESIDENT's Office	Item 18
Mr BALTAZAR	Adviser in the PRESIDENT's Office	Items 7 to 17
Ms SILLAVEE	PRESIDENT's Office	Items 1 to 18
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 7 to 17 (in part)
Ms KOSKA	A member of Mr ŠEFČOVIČ's staff	Items 7 to 17 (in part)
Mr GIL TERTRE	A member of Mr KATAINEN's staff	Item 18
Ms LOBILLO BORRERO	Chef de cabinet to Mr ARIAS CAÑETE	Items 7 to 17
Mr BARNIER	Chief negotiator and Head of the Article 50 Task Force	Items 18 and 19
Ms ANDREEVA	Commission Spokesperson's Service	Items 1 to 18
Mr RISTORI	Director-General, DG Energy	Items 7 to 17

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr GENISSON, Head of Unit in the Secretariat-General.

1. AGENDAS

(OJ(2016) 2191/FINAL; SEC(2016) 484/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2016) 2191)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 28 November.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2187TH MEETING OF THE COMMISSION (25 OCTOBER) AND THE MINUTES OF THE 2189TH AND 2190TH MEETINGS (16 AND 22 NOVEMBER)

(PV(2016) 2187 AND /2; PV(2016) 2187, 2ND PART); PV(2016) 2189)

The Commission approved the minutes of its 2187th and 2189th meetings and decided to hold over for one week approval of the minutes of its 2190th meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2016) 144)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 25 November (RCC(2016) 144).

It paid particular attention to the following points.

4.1. HORIZONTAL ITEMS

- i) Interinstitutional exchange of views under Article 16 of Regulation 883/2013 of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (Brussels, 30 November 2016)**

The Commission approved the line set out in SPI(2016) 48 and /2.

4.2. LEGISLATIVE MATTERS

- ii) Trilogues**

(point 3.1 of the IRG record)

- Combating terrorism and replacing Council Framework Decision 2002/475/JHA on combating terrorism (Directive) – HOHLMEIER report – 2015/0281 (COD)

The Commission approved the line set out in SI(2016) 459 and /2.

- Amendment of Council Directive 91/477/EEC on control of the acquisition and possession of weapons (Directive) – FORD report – 2015/0269 (COD)

The Commission approved the line set out in SI(2016) 470/2.

- Amendment of Regulation (EU) 19/2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part, and amendment of Regulation (EU) 20/2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement

establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other (Regulation) – DE SARNEZ report – 2015/0112 (COD)

The Commission approved the line set out in SI(2016) 466/2.

iii) European Parliament dossiers – November II part-session

(point 3.2 of the IRG record)

Non-legislative procedure

- Conclusion, on behalf of the European Union, of an Agreement between the United States of America and the European Union on the protection of personal information relating to the prevention, investigation, detection, and prosecution of criminal offenses (Council Decision) – ALBRECHT report – 2016/0126 (NLE)

The Commission took note of the final text of the report in SP(2016) 792, further to SP(2016) 738, which it had already approved on 16 November.

Approval procedure

- Mid-term Review/Revision of the Multiannual financial framework 2014-2020 – Council and Commission statements – OLBRYCHT & THOMAS report – 2016/0283 (APP).

The Commission took note of SP(2016) 794.

iv) Council dossiers

(point 3.3 of the IRG record)

- Multiannual Framework for the European Union Agency for Fundamental Rights for 2018-2022 (Council Decision) – MLINAR report – 2016/0204 (APP)

The Commission approved the line set out in SI(2016) 434/4.

- Amendment of Regulations (EU) 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (Regulation) – BULLMANN & FERNANDES report – 2016/0276 (COD)

The Commission approved the line set out in SI(2016) 457.

- European Fund for Sustainable Development (EFSD) and establishment of the EFSD Guarantee and the EFSD Guarantee Fund (Regulation) – 2016/0281 (COD)

The Commission approved the line set out in SI(2016) 477.

- Amendment of Directive (EU) 2016/1164 as regards hybrid mismatches with third countries (Council Directive) – 2016/0339 (CNS)

The Commission approved the line set out in SI(2016) 471.

- Amendment of Regulations (EU) 1316/2013 and (EU) 283/2014 as regards the promotion of Internet connectivity in local communities (Regulation) – ZORRINHO report – 2016/0287 (COD)

The Commission approved the line set out in SI(2016) 480.

- Amendment of Regulation (EU) 531/2012 as regards rules for wholesale roaming markets (Regulation) – KUMPULA-NATRI report – 2016/0185 (COD)

The Commission approved the line set out in SI(2016) 481.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business

(SI(2016) 473)

The Commission took note of the information in SI(2016) 473 on the Council meetings between 8 and 21 December.

vi) Preparations for Council meeting (Competitiveness) (Brussels, 28 and 29 November)

(point 4.2.2 of the record)

- Geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market and amendment of Regulation (EC) 2006/2004 and Directive 2009/22/EC (Regulation) – THUN UND HOHENSTEIN report – 2016/0152 (COD)

The Commission approved the line set out in SI(2016) 479.

vii) Preparations for Council meeting (Transport and Telecommunications – Transport Session) (Brussels, 1 to 5 December 2016)

(point 4.2.3 of the record)

- Common rules in the field of civil aviation and establishment of a European Union Aviation Safety Agency, and repeal of Regulation (EC) 216/2008 of the European Parliament and of the Council (Regulation) – MARINESCU report – 2015/0277 (COD)

The Commission approved the line set out in SI(2016) 448/2.

4.4. RELATIONS WITH PARLIAMENT

viii) Results of the November I part-session of Parliament

(SP(2016) 769; SP(2016) 774)

The Commission took note of the information in SP(2016) 769 and SP(2016) 774 on the proceedings of the part-session of Parliament held in Strasbourg from 21 to 24 November.

ix) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature

(SP(2016) 802)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT and Mr TIMMERMANS and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2016) 802, drawn up following the part-session of Parliament of 21 to 24 November, the contents of which were noted.

x) Non-legislative dossiers

(point 5.1 of the IRG record)

- Committee of inquiry into Emission Measurements in the Automotive Sector (EMIS) – Preparation of the hearing of Mr ŠUCHA, Director-General of the Joint Research Centre, on 1 December

The Commission took note of SP(2016) 797, further to note SP(2016) 766, which it had already approved on 22 November.

- Committee of inquiry into Emission Measurements in the Automotive Sector (EMIS) – Preparation of the hearing of Mr DE SANTI, Director at the Joint Research Centre, on 1 December

The Commission took note of SP(2016) 798, further to note SP(2016) 767, which it had already approved on 22 November.

- Committee of Inquiry into Money Laundering, Tax Avoidance and Tax Evasion (*PANA*) – Preparation of replies to the additional written questions following the hearing of Ms JOUROVÁ, on 8 November.

The Commission took note of the compromise text in SP(2016) 739/2, further to note SP(2016) 719, which it had already approved on 9 November.

- Committee of Inquiry into Money Laundering, Tax Avoidance and Tax Evasion (*PANA*) – Preparation of the hearing of Mr MOSCOVICI – Preparation of the replies to the written questions and speaking points

The Commission approved the line set out in SP(2016) 799, and took note of the replies to the written questions and speaking points in the annex thereto.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2016) 485 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 November.

5.2. EMPOWERMENT (SEC(2016) 486 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 21 and 25 November.

5.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2016) 487 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 21 and 25 November, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2016) 488 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 28 November and 2 December and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on Monday 28 November.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2016) 489 AND /2)

ADMINISTRATIVE MATTERS

(PERS(2016) 123 AND /2)

6.1. DG TRADE – APPOINTMENT OF AD16 DEPUTY DIRECTOR-GENERAL

The Commission, on a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT, and after having consulted Ms MALMSTRÖM and also Ms MOGHERINI and Mr KATAINEN, decided to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Joost KORTE, currently Deputy Director-General in DG Agriculture and Rural Development, to the post of Deputy Director-General in charge of Directorates E, F, G and H in DG Trade.

This decision would take effect on a date to be fixed later.

**6.2. DG HUMAN RESOURCES AND SECURITY – ADJUSTMENT, WITH EFFECT FROM 1 JULY 2016, OF THE RATE OF CONTRIBUTION TO THE PENSION SCHEME OF OFFICIALS AND OTHER SERVANTS OF THE EUROPEAN UNION
(SEC(2016) 507)**

The Commission took note of SEC(2016) 507.

7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – CLEAN ENERGY FOR ALL EUROPEANS

(COM(2016) 860 TO /3; RCC(2016) 145; RCC(2016) 148)

**8. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE GOVERNANCE OF THE ENERGY UNION, AMENDING DIRECTIVE 94/22/EC, DIRECTIVE 98/70/EC, DIRECTIVE 2009/31/EC, REGULATION (EC) 663/2009, REGULATION (EC) 715/2009, DIRECTIVE 2009/73/EC, COUNCIL DIRECTIVE 2009/119/EC, DIRECTIVE 2010/31/EU, DIRECTIVE 2012/27/EU, DIRECTIVE 2013/30/EU AND COUNCIL DIRECTIVE (EU) 2015/652 AND REPEALING REGULATION (EU) 525/2013
(COM(2016) 759 TO /3; SWD(2016) 394; SWD(2016) 395; SWD(2016) 396; SWD(2016) 397; SEC(2016) 494; RCC(2016) 145; RCC(2016) 148)**

9. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROMOTION OF THE USE OF ENERGY FROM RENEWABLE SOURCES (RECAST)

(COM(2016) 767 TO /3; SWD(2016) 418 AND /2; SWD(2016) 419; SWD(2016) 416; SWD(2016) 417; SEC(2016) 499; RCC(2016) 145; RCC(2016) 148)

10. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2012/27/EU ON ENERGY EFFICIENCY

(COM(2016) 761 AND /2; SWD(2016) 405 AND /2; SWD(2016) 406; SWD(2016) 399; SWD(2016) 401; SWD(2016) 402; SWD(2016) 403; SWD(2016) 404 AND /2; SEC(2016) 496; RCC(2016) 145; RCC(2016) 148)

11. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2010/31/EU ON THE ENERGY PERFORMANCE OF BUILDINGS

(COM(2016) 765 AND /2; SWD(2016) 408; SWD(2016) 409; SWD(2016) 414; SWD(2016) 415; SEC(2016) 498; RCC(2016) 145; RCC(2016) 148)

12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE INTERNAL MARKET FOR ELECTRICITY (RECAST)

(COM(2016) 861 TO /3; SWD(2016) 410; SWD(2016) 411; SWD(2016) 412; SWD(2016) 413; SEC(2016) 497; RCC(2016) 145; RCC(2016) 148)

- 13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING A EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS (RECAST)**
(COM(2016) 863 TO /3; SWD(2016) 410; SWD(2016) 411; SWD(2016) 412; SWD(2016) 413; SEC(2016) 497; RCC(2016) 145; RCC(2016) 148)
- 14. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON RISK-PREPAREDNESS IN THE ELECTRICITY SECTOR AND REPEALING DIRECTIVE 2005/89/EC**
(COM(2016) 862 TO /3; SWD(2016) 410; SWD(2016) 411; SWD(2016) 412; SWD(2016) 413; SEC(2016) 497; RCC(2016) 145; RCC(2016) 148)
- 15. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON COMMON RULES FOR THE INTERNAL MARKET IN ELECTRICITY (RECAST)**
(COM(2016) 864 TO /3; SWD(2016) 410; SWD(2016) 411; SWD(2016) 412; SWD(2016) 413; SEC(2016) 497; RCC(2016) 145; RCC(2016) 148)
- 16. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – ACCELERATING CLEAN ENERGY INNOVATION**
(COM(2016) 763 AND /2; RCC(2016) 145; RCC(2016) 148)
- 17. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A EUROPEAN STRATEGY ON COOPERATIVE INTELLIGENT**

**TRANSPORT SYSTEMS, A MILESTONE TOWARDS COOPERATIVE,
CONNECTED AND AUTOMATED MOBILITY
(COM(2016) 766; RCC(2016) 145; RCC(2016) 148)**

The PRESIDENT asked Mr ŠEFČOVIČ and Mr ARIAS CAÑETE to present to the College the wide-ranging package of proposals submitted on that day to the Commission, which was designed to underpin the transition to clean energy and the changes it would entail on global energy markets while preserving the competitiveness of the European Union.

Mr ŠEFČOVIČ said that this package, intended as it was to fundamentally transform energy in Europe, represented a major achievement of this Commission's term of office and was something it could be proud of. The package was designed to prepare the ground for the transition to a low carbon economy by deploying a wide range of policies and instruments forming part of the Energy Union strategy, thereby implementing one of the political priorities of the current Commission.

He highlighted the significant work that had gone into the package, which comprised eight legislative proposals, three communications and a large number of accompanying documents. Praising the team spirit that had prevailed in the production of this package, he warmly thanked Mr ARIAS CAÑETE, Mr TIMMERMANS, Mr KATAINEN, Mr MOEDAS, Ms VESTAGER, Mr HOGAN, Ms JOUROVÁ and Ms BULC, their cabinets and the Secretariat-General for their valuable contribution.

He indicated the main lines of the overall strategy, which involved (i) prioritising energy efficiency, (ii) becoming a world leader in the field of renewable energies, and (iii) providing consumers with a fair deal.

The package was designed to boost the energy transition by modernising the economy and providing it with new bases. The Union, which was at the forefront of global climate action, was now proposing to establish the right conditions for job

creation, growth and sustainable investment in all clean energy sectors – research, skills, buildings, industry, transport, the digital economy and finance – and to enable European consumers and businesses to maximise the benefits of the energy transition. More specifically, he added that according to estimates, this package would create up to 900 000 jobs in the energy sector and would generate 1 % additional gross domestic product by 2030.

Returning to the priority given to energy efficiency, he explained that the Commission was proposing measures on several fronts with (i) a general framework which should enable it to achieve a binding 30 % target for increasing energy efficiency at European level by 2030, (ii) energy-efficient buildings, (iii) clear product eco-design measures, and (iv) smarter financing to boost growth in Europe.

Renewables would play a key role in the transition to a clean energy system; half of the Union's electricity would be generated from renewable sources by 2030 and electricity would be fully decarbonised by 2050. For that reason Europe had undertaken to increase the share of renewable energies to 27 % of its total energy consumption by 2030. The Union was leading the global fight against climate change with its commitment to cut its emissions by 40 % by 2030.

Under the Commission proposals, deployment of renewable energy sources with low greenhouse gas emissions, for example by means of advanced biofuels and electricity, would be accelerated in the transport sector. The proposals also encouraged the development of advanced alternative fuels for transport by imposing a blending requirement on fuel suppliers, while food-based biofuels' contribution to the EU's renewables target would be progressively reduced.

Summing up, Mr ŠEFČOVIČ ended his presentation by saying that the Commission intended to make clean energy affordable for all Europeans by promoting renewable electricity, cleaner heating and cooling systems, decarbonised transport, providing more information and freedom of choice for consumers and boosting the share of renewable energies used in the Union to at least 27 % of the total. Once these

ambitious proposals had been adopted, work in 2017 would have to focus on their implementation.

Taking the floor, Mr ARIAS CAÑETE gave his presentation of what he called the Energy Union's greatest achievement. He started by highlighting the unprecedented scope of this package of proposals which, as Mr ŠEFČOVIČ had explained, incorporated all aspects of energy policy. He stressed the European dimension of the package, which demonstrated the advantages of an approach to energy policy which was better coordinated at Union level, as opposed to a national vision with its negative consequences in terms of security of supply, competitiveness and sustainability of energy sources over time.

He examined a number of points in greater depth.

With regard to renewable energy, the goal was for the EU to become the global leader in line with the current Commission's political priorities. This was why the relevant proposal created a solid and predictable investment framework, with the common European objective invoked previously of boosting the share of renewable energies to 27 % of total energy consumption in the Union by 2030.

With regard to the internal electricity market, the rapid development of renewables made it necessary to establish new rules. The Commission was therefore proposing reorganising the market in such a way as to reflect the real market value of electricity and make the system both more flexible and more secure.

Consumers were at the heart of the proposals being put forward by the Commission that day. The aim was to provide consumers with better information and greater choice, such as the option of consuming or storing their own electricity, either individually or in the context of new collaborative economy models, a process that would be facilitated by rapid network digitalisation.

Lastly, he mentioned the very promising energy efficiency strand, with a binding target of 30 % that would reduce the Union's dependence on energy imports, create

jobs and cut greenhouse gas emissions. With its proposals, the Commission was paving the way for a more competitive, more modern and less polluting energy system which would reduce consumers' energy bills, promote employment in struggling sectors like the building and renovation sector, and, over time, push down energy prices and reduce demand.

Mr ARIAS CAÑETE thanked all the Commission Members who had contributed to this huge task; it was now time to explain the proposals, begin implementing what could already be implemented and convince Parliament and the Member States to make this ambitious and balanced set of measures a reality, as part of the creation of the energy union.

Mr KATAINEN expressed his appreciation for the excellent work that had been done in this complicated area to table a comprehensive package of joined-up solutions designed to tackle difficult political issues. He pointed to the main benefits of the package presented that day, highlighting the fact that it redefined the energy market, included significant incentives for research and investment, created a level playing field in the market, took account of consumers, including those who were vulnerable or experiencing fuel poverty, and provided legal certainty in relation to energy efficiency.

Mr MOEDAS welcomed the new approach, which fully recognised the role that research had to play in the transition towards clean energy. He was pleased that, with the proposals tabled that day, the Commission was not only seeking to plug gaps in the market, but also to chart a course for science and research.

In the course of the discussion that followed, the Commission raised the following main points:

- the College's keen support for the proposed package, which was felt to be ambitious, achievable and balanced, and which left the Member States free to choose how they would meet the clean energy transition targets; the package's

important role in creating a genuine internal energy market and the excellent example it provided of European added value;

- the inclusive approach to consultation, including with social partners, taken when the package was drafted;
- the prominence of consumer information in the proposals;
- the emphasis placed on the package's social dimension and the balanced approach to the concept of fuel poverty; a question nonetheless about the fact that fuel poverty was more a matter for social policy at national level;
- the need to pay particular attention to communication in this area; the recommendation that the Commission defend the package of measures with conviction by communicating in a clear and targeted manner, explaining the effect on individuals of the overarching policy proposals;
- the merits of the agreement on biofuels, which allowed investment in the sector in recent years to be taken into account; generally, the importance of transparency for investors;
- within the Commission, the positive outcome of the project-based approach.

The PRESIDENT congratulated Mr ŠEFČOVIČ and Mr ARIAS CAÑETE on the impressive work they had carried out with the support of many Commission Members and departments. In his view, the package of measures put forward that day was a unique opportunity to enable all consumers and businesses in Europe to make the most of the energy transition. He concluded by emphasising that the communication actions that would accompany the package of proposals needed to be prepared with the utmost care.

Following this discussion the Commission:

- approved the Communication in COM(2016) 860/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments;
- adopted the proposal for a Regulation in COM(2016) 759/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary and the staff working documents SWD(2016) 394, SWD(2016) 395, SWD(2016) 396 and SWD(2016) 397, the contents of which were noted;
- took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2016) 494;
- adopted the proposal for a Directive in COM(2016) 767/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary and the staff working documents SWD(2016) 418/2, SWD(2016) 419, SWD(2016) 416 and SWD(2016) 417, the contents of which were noted;
- took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2016) 499;
- adopted the proposal for a Directive in COM(2016) 761/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary and the staff working documents SWD(2016) 405/2, SWD(2016) 406, SWD(2016) 399, SWD(2016) 401, SWD(2016) 402, SWD(2016) 403 and SWD(2016) 404/2, the contents of which were noted;

- took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2016) 496;
- adopted the proposal for a Directive in COM(2016) 765/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary and the staff working documents SWD(2016) 414, SWD(2016) 415, SWD(2016) 408 and SWD(2016) 409, the contents of which were noted;
- took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2016) 498;
- adopted the proposals in COM(2016) 861/3, COM(2016) 863/3, COM(2016) 862/3 and COM(2016) 864/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary and the staff working documents SWD(2016) 410, SWD(2016) 411, SWD(2016) 412 and SWD(2016) 413, the contents of which were noted;
- took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2016) 497;
- approved the Communication in COM(2016) 763/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments;
- approved the Communication in COM(2016) 766 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

18. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EUROPEAN DEFENCE ACTION PLAN (COM(2016) 950 TO /3; RCC(2016) 149)

Mr KATAINEN presented the Communication on the European Defence Action Plan which was being tabled for approval by the Commission.

He began by stressing that current political developments, which were leading to the proliferation of threats to the Union's security and the growing complexity of these threats, called for enhanced cooperation between the Member States in defence. Numerous Member States had reduced their defence budget between 2005 and 2015, bringing their defence expenditure down to no more than 1.4 % of the EU's gross domestic product, the lowest level ever recorded. In comparison, in 2015 US investment in defence was twice the total volume of the expenditure of the EU Member States and Russia spent 5.4 % of its gross domestic product, while China had increased its defence budget by 150 % in the last ten years.

Mr KATAINEN also pointed out that most defence expenditure was carried out under national public procurement procedures, whereas collaborative equipment procurement represented only 22 % of total equipment procurement in 2014.

He therefore felt that it was a matter of urgency for the Commission to take the initiative and establish, in a global and ambitious defence Action Plan, a framework within which the Union could support the actions of the Member States with the help of a number of tools in fields where action at Union level provided added value.

This Action Plan was based on three main pillars that addressed different but

complementary needs throughout the capability development cycle, focusing on technologies and products. These were (i) launching a European Defence Fund, (ii) fostering investments in defence supply chains, and (iii) reinforcing the single market for defence.

The main aim of the European Defence Fund was to enable more resources to be allocated to research in the defence sector on subjects chosen by the Member States on the basis of their needs. The Commission would play a role of facilitator and would act only if given a mandate to do so by the Member States. It intended initially to launch a Preparatory Action on Defence Research with a budget of €25 million in 2017 and €90 million for the period up to 2019.

In the longer term, Mr KATAINEN explained that, if the Member States approved the Action Plan being presented that day, the Preparatory Action would make it possible to give this ‘research window’ the form of a European defence research programme in the next multiannual financial framework after 2020. He stressed the credibility of this programme which, in view of the importance of investment in defence research, the level of existing national budgets and the high cost of developing cutting-edge technologies, might need an estimated annual budget of €500 million to have a real impact.

The ‘umbrella structure’ of scientific research management envisaged in the Action Plan referred to a common framework rather than to a physical structure responsible for setting up projects. This umbrella structure would be responsible for administration, accounting and financial expertise. It would play the role of a financial service rather than a defence ministry. It would make it possible to manage the financial and administrative aspects of the projects to be financed, synchronise the national budgetary lines, reduce transaction costs and provide more predictability. The document did not attribute any specific role to the Commission in this structure, leaving this matter to a subsequent decision by the Member States.

As regards the second pillar of the Action Plan and the support to be provided to

defence supply chains, Mr KATAINEN noted that, given the growing number of small and medium-sized enterprises engaged in activities in the area of defence, it would be appropriate to allow them to benefit from the possibilities provided for by the Treaties. In this context, the European Investment Bank, whose main role was to promote the Union's priorities, was already supporting a number of projects relating to dual-use assets and technologies. He therefore concluded that the Member States, which were the main shareholders of these projects, might also decide to develop these activities by modifying the eligibility criteria in force.

Turning lastly to the third pillar of the Action Plan, aimed at strengthening the single market for defence, he considered that with regard to procurement in this sector the Commission, even if it could apply infringement proceedings to ensure the systematic implementation of the applicable directives, would initially opt for constructive dialogue with the Member States.

Mr KATAINEN concluded his presentation by stressing that the Action Plan was in no way intended to create a European army or to take over the role played by the North Atlantic Treaty Organisation (NATO); instead, it aimed to use enhanced cooperation as a means of helping Member States optimise the management of public finances earmarked for defence. He also emphasised that it would be up to the Member States to decide the scale of the Action Plan and the structures that would provide a framework for their cooperation in this sensitive field, which was a matter of national sovereignty.

Ms MOGHERINI then emphasised the importance of the European Defence Action Plan in a field in which the possibility of relaunching the integration process needed to be considered, in order to allow the Union to deal with global challenges. Security was a key priority for citizens, which justified strengthening cooperation between Member States on defence, as had been explicitly advocated by the EU's Heads of State or Government. As Head of the European Defence Agency, Ms MOGHERINI was also required to make sure the Action Plan did not replicate

the roles already performed by the Agency.

She explained that the European Defence Action Plan supplemented the ambitious plan for the implementation of the overall strategy in the field of security and defence, and was also closely linked to the implementation of the EU-NATO joint declaration. These three pillars of EU security policy - the Action Plan, the overall strategy and the EU-NATO joint declaration - should be developed in parallel and in cooperation with each other, since they formed part of an overarching strategy and represented the building blocks of a new phase in security and defence. Together, they would lead to a stronger EU in terms of defence, which would, in time, also strengthen NATO.

Ms MOGHERINI felt that, in a general sense, it was important to strengthen the Union's strategic independence in the years to come by using all available cooperation tools, including permanent structured cooperation, to coordinate institutional developments more effectively and avoid duplication, while fostering synergies and the coherent development of the main elements of the EU's security strategy.

Ms BIENKOWSKA then highlighted the economic and industrial aspects of the European Defence Action Plan. Given that the cost of failing to take action at EU level in this area was estimated at between €25 and 100 billion, enhanced cooperation between Member States would help improve the cost effectiveness of the expenditure incurred.

She explained that the Action Plan represented the industrial component of the EU's global security strategy, and emphasised the positive political momentum that allowed new breakthroughs in defence to be considered, in accordance with the stated wishes of the Heads of State or Government. She felt that this Action Plan would be game-changing and that it constituted a decisive step forward for European industry in the aerospace and defence sectors.

Mr DOMBROVSKIS briefly took the floor to explain that the national financial contributions to the ‘capability window’ of the European Defence Fund would be considered to be one-off payments with regard to the Stability and Growth Pact, which meant they would be deducted from the structural fiscal effort expected from Member States. The same treatment would apply to guarantees, to the extent they had an impact on deficit or debt.

In the course of the discussion that followed, the Commission raised the following key points:

- the importance of including cyber defence as an integral part of the European Defence Action Plan and of promoting optimal use of the Union’s satellite capabilities through the Copernicus programme;
- the need to systematically promote the synergies existing between civil and military research;
- the usefulness of a communication campaign to support approval of the Action Plan and inform the public, while correcting the mistaken interpretations it would no doubt create.

The PRESIDENT congratulated the lead Commissioners and the Commission’s services for their excellent work. He stressed the importance of the Action Plan for ensuring the Union’s long-term collective security by investing in the joint development of defence technologies and equipment. If Europe failed to take charge of its own security, no-one else would do so in its place. It therefore had to develop a strong, competitive and innovative defence industrial base that would allow it to ensure its strategic independence.

At the end of this discussion, the Commission approved the communication in COM(2016) 950/3 for transmission to Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the

Regions, and, for information, to the national parliaments.

19. OTHER BUSINESS

STATUS OF WORK ON THE PREPARATIONS FOR NEGOTIATIONS WITH THE UNITED KINGDOM IN RELATION TO ARTICLE 50 OF THE TREATY ON THE EUROPEAN UNION

The PRESIDENT invited Mr BARNIER, in his capacity as chief negotiator responsible for the task force for the preparation and conduct of negotiations with the UK under Article 50 of the Treaty on the European Union, to give a brief overview of the situation following the tour of 27 capital cities he was currently undertaking and the first technical meeting held on 29 November with the representatives of the 27 Member States, the European Parliament and the Council.

The Commission took note of this information.

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The meeting closed at 12.30.