



Joint Statement EU-US Energy Council

Brussels, 03 December 2014

1. The sixth European Union-United States Energy Council met today in Brussels, chaired by EU High Representative/Vice President Federica Mogherini, European Commission Vice President Maroš Šefčovič, European Commissioner Miguel Arias Cañete, and U.S. Secretary of State John Kerry. Vice-Minister Claudio De Vincenti of the Italian Ministry of Economic Development represented the Presidency of the Council of the European Union. Acting Assistant Secretary Jonathan Elkind represented the U.S. Department of Energy. The Energy Council, a forum on EU-U.S. energy priorities, promotes transparent and secure global energy markets, fosters policy and regulatory cooperation on efficient and sustainable energy use, and pursues joint research and development on clean energy technologies. These actions boost economic growth and jobs, enhance energy security and international cooperation, and highlight the importance and urgency of tackling global energy and climate challenges.

Ukraine

2. The Council welcomed the trilateral gas accord of 30 October 2014 mediated over the course of the last eight months by the European Union, and acknowledged the support of the United States and other parties in this achievement. The accord is an important contribution to ensuring Ukraine's security of gas supply this winter, provides relief to the citizens of Ukraine, and ensures the reliable transit of gas to Europe. Beyond its immediate impact on the supply of gas, it demonstrates that it is possible to de-escalate the conflict, and provides a template on which further action could be built. Without prejudice to the outcome of the cases lodged with the Stockholm International Court of Arbitration, the Council reaffirmed the importance of reaching a long-term gas agreement between Russia and Ukraine.

3. The Council reiterated the resolve of the EU and the United States to stand shoulder-to-shoulder in their support for Ukraine's new government, and underlined the necessity of continuing the reforms in Ukraine's energy sector in line with its Energy Community commitments to integrate progressively the Ukrainian energy market with that of the EU, while highlighting the need to protect vulnerable segments of the population. The Council welcomed the Plan established by the Ukrainian Government with active U.S. support regarding contingency measures in the energy field for the coming winter, and underlined the importance of ensuring continued close cooperation as the Plan is implemented to ensure optimal use of assistance by the United States, the EU and its Member States. The Council also acknowledged U.S. and EU medium- and long-term efforts to improve Ukraine's energy security, including support for reform of Ukraine's energy sector and for enhancing the legal and policy framework and technical capacity for increased domestic production. Increased energy efficiency and the expansion of renewable energies also play a crucial role in enhancing Ukraine's energy security. The Council also welcomed efforts undertaken in financing energy efficiency investments within the Eastern Europe Environment and Energy Efficiency Partnership (E5P).

4. The Council reaffirmed that the territorial integrity, independence and sovereignty of Ukraine must be respected and stressed its determination to help end the conflict in eastern Ukraine and the human rights violations of the affected populations. The Council urged all parties fully to implement the Minsk Protocol and Memorandum swiftly and without further delay, and underlined the Russian Federation's responsibility in this context. The Council called in particular for a halt to the continuous violations of the ceasefire, a withdrawal of all illegal and foreign forces, mercenaries and military equipment, as well as for securing the Ukrainian-Russian border with permanent monitoring by the OSCE. Assessing the present situation, we concurred on the need to coordinate the application of our respective sanctions regimes, while reinforcing measures against separatists as well as in relation to the non-recognition policy related to the illegal annexation of Crimea.

Energy Security

5. The Council reaffirmed that energy should not be used as a political tool. It welcomed the recommendations made by the European Commission in the EU's Energy Security Strategy to increase energy efficiency, strengthen domestic production, diversify supplies, complete the internal energy

market, maintain a unified voice in external energy policy, bolster emergency and solidarity mechanisms while protecting critical infrastructure. The Council discussed ways in which the United States could provide assistance to strengthen energy security in EU candidate countries and Eastern Partnership countries.

6. The Council recognised that energy security is underpinned by open, competitive and transparent international energy markets and through supportive policies that promote the sustainability of energy production and consumption, in particular the development and deployment of renewable and low carbon energies and energy efficiency. The Council welcomed the prospect of U.S. liquefied natural gas exports in the future since additional global supplies will benefit Europe and other strategic partners. The Council also welcomed the negotiations towards a comprehensive and ambitious Trans-Atlantic Trade and Investment Partnership (TTIP), and the discussion of trade and investment issues relevant to energy.

7. The Council welcomed the goal of the European Council to build an Energy Union aiming at affordable, secure and sustainable energy, and supports the work underway to achieve a fully functioning and interconnected internal EU energy market, as laid out in the conclusions of the European Council of 23 October. Reinforcing energy infrastructure, accelerating priority projects including electricity and gas interconnections, moderating energy demand through the more efficient use of energy, and tapping into indigenous resources, including renewable energy, will bring the benefit of greater energy security and more competitive energy prices to all Member States and neighbouring states in the Energy Community. The Council recognised the importance of all projects in compliance with EU law, which contribute to the diversification of European supply sources and delivery routes

8. The Council lauded the recent European Commission energy security stress tests, which called for increased cooperation, particularly in the event of major energy disruptions. The Council has directed the Energy Security Working Group to meet with the Energy Community Contracting Parties and Secretariat in 2015 to assess progress on gas and electricity infrastructure projects and possibilities for further financial support for the priority projects.

9. The Council commended the work done under the Rome G7 Energy Ministerial, which highlighted core principles of energy security, including flexible, transparent and competitive energy markets; diversification of energy fuels, sources, technologies, infrastructure and routes; readiness to deal with energy emergencies; and encouragement of indigenous sources of energy supply. In view of the importance of collective action to enhance energy security, the Council noted that these efforts will be taken forward under the German G7 presidency.

10. The Council welcomed recent infrastructure developments including the inauguration of the Klaipeda LNG terminal in Lithuania, the ground breaking ceremony of the Southern Gas Corridor last September, and the inauguration of the reverse flow interconnection between Ukraine and Slovakia, to complement the existing reverse flow interconnections between Ukraine and Hungary and Poland. The Council reaffirmed the importance of prioritizing a select number of critical infrastructure projects to develop rapidly interconnections to end the isolation of any Member State from European gas and electricity networks. The Council welcomed the agreement between Estonia and Finland on 17 November on the Baltic connector pipeline and the regional LNG terminal, recognising the importance of its timely implementation. In this context, the Council highlighted the need for improving gas interconnectors between EU Member States, particularly in Central and Eastern Europe, and encouraged swift completion of projects such as: related infrastructure for supplying gas from Romania to the Republic of Moldova via the Iasi-Ungheni gas interconnector and extending the line to Chisinau. The Council further welcomed the latest developments in the Vecsés-Velke Zlievce gas interconnector between Hungary and Slovakia which is due to be put into operation by January 2015; and encouraged completion of an LNG terminal in Krk Island, Croatia; and of the Interconnector Greece-Bulgaria and associated LNG capability. The Council also acknowledged the potential of the Iberian Peninsula as a strategic gas entry point for the EU.

11. The Council recognised the growing potential of the new gas resources in the Black Sea, North Africa, and Eastern Mediterranean for the energy security of the EU and the wider region as demonstrated in the recent Malta and Rome Euro-Mediterranean Conferences. The Council stands ready to facilitate the development of these resources, underlining the need to respect international law. The Council underlined the importance of continuing to promote the development of Iraq's energy resources and electricity infrastructure, and also welcomed the planned inauguration in early 2015 of the EU-Iraq Energy Centre.

12. The Council discussed the current state of global energy markets. The Council agreed on the importance of countries phasing out inefficient fossil fuel subsidies. The Council will continue to support

ongoing efforts towards rules-based and inclusive energy markets.

Energy Policy and Energy Research & Technology

13. The Council concurred that research and innovation have a critical role to play in increasing energy security and in mitigating the threat of climate change by expanding the share of low-carbon options in the energy mix, and by reducing costs. Enhanced cooperation between the EU and United States in energy-related research should support the development of coordinated and harmonised technologies, solutions, programmes and projects. This will provide the base for developing expertise, science and technology capacity and excellence that will directly benefit competitiveness and contribute to green growth as a source of new jobs and prosperity.

14. The Council emphasised the importance of intensifying and streamlining co-operation in this area, including but not limited to the areas of renewable sources of energy, critical materials, energy efficiency, nuclear fusion, hydrogen and fuel cells, smart grids and storage, Carbon Capture and Storage, unconventional resources, ocean energy and systems integration.

15. The Council welcomed the continuing exchange on energy policy issues of mutual interest, including on the EU's 2030 Climate and Energy Policy Framework, the U.S. Department of Energy's Quadrennial Energy Review, the EU's 'Connecting Europe Facility', smart grids and electric vehicles, energy efficiency, unconventional resource development, and LNG and Carbon Capture and Storage, recognising the joint objective of accelerating the transition to a competitive and sustainable low-carbon economy.

16. The Council will explore further opportunities for energy research collaboration, potentially to include new exchange opportunities for academics and other researchers and business community engagement.

Climate and Energy

17. Coordinated action by the EU, the United States and all major and emerging economies will be essential to tackling the threat of global climate change, which remains the defining challenge of our generation. The Council reaffirmed the strong determination of the United States and the EU to work towards the adoption at the United Nations Climate Conference in Paris in 2015 of an ambitious protocol, legal instrument or agreed outcome with legal force, under the Convention and applicable to all parties, which would strengthen the multilateral, rules-based regime. This agreement must be sufficiently ambitious, robust and dynamic in light of the goal to limit global temperature increase to below 2°C. The latest findings of the Intergovernmental Panel on Climate Change serve to emphasise the importance of urgent and effective action. The EU and the United States are committed to taking the lead in the fight against climate change and note the increasing evidence that action on climate change can be combined with improved economic performance and have positive co-benefits in areas such as health and energy security. The EU and the United States also intend to continue their strong efforts to reduce emissions of short-lived climate pollutants.

18. The Conference of Parties COP 20 in Lima this December is an important stepping stone towards success in Paris in 2015. It is important that in Lima countries reach agreement on draft elements of a negotiating text, including the requirement for transparent, quantifiable, verifiable and ambitious mitigation contributions, elaboration of the international process to consider and analyse contributions prior to COP 21, and a commitment to continue raising mitigation ambitions before 2020.

19. In order to ensure a successful outcome in Paris it will be essential to work also in fora outside the United Nations Framework Convention on Climate Change, such as the Major Economies Forum, the G20 and the G7. Initiatives and organisations including but not limited to the Clean Energy Ministerial, the International Energy Agency, the International Energy Forum, the Climate and Clean Air Coalition and the International Renewable Energy Agency, could also play an important role.

20. The Council welcomed the decision of the EU and United States to submit their intended nationally-determined mitigation contributions in the first quarter of 2015. All major economies must demonstrate similar leadership and submit their intended contributions by the same time in a manner that is transparent, quantifiable and comparable.

21. The Council welcomed the 23 October European Council decision to reduce the EU's aggregate domestic greenhouse gas emission by at least 40 percent below the 1990 base year by 2030. The Council further welcomed the binding target to achieve at least a 27 percent share of renewable energy in the EU's total energy mix, and the indicative target to reduce total energy consumption by at least 27 percent compared to projections by using it more efficiently. The Council welcomed the announcement by the United States of its intention to reduce emissions 26 to 28 percent below 2005

levels in 2025. The Council also welcomed the \$3 billion pledge of the United States, and EU Member States' current aggregate pledge of at least \$4.6 billion towards the initial capitalization of the Green Climate Fund, as well as their respective provisions of climate finance to developing countries. The Council encouraged other parties who have not yet done so to pledge commensurate amounts.

22. The Council discussed opportunities for co-operation in promoting sustainable energy in other parts of the world, including mobilising the necessary long-term investments needed to operate a transition to low-carbon economies. Energy efficiency and renewable energy are among the priorities for support globally, in the context of climate change as well as development. The Caribbean was discussed as a region that is highly vulnerable to climate change, where clean, renewable energy sources could be particularly productive and useful. The Council welcomed initiatives in the region to promote a cleaner and more sustainable energy future for the Caribbean, including those reflected in the Joint Caribbean-EU Partnership Strategy and the US Caribbean Energy Security Initiative (CESI), and discussed ways to work collaboratively in support of the region's own sustainable energy strategies.

IP/14/2341

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