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DAILY NEWS to Members: 05/03/2008 by Chris Boothby

ENERGY COUNCIL ENDORSES SET PLAN, BACKS INTERNATIONAL ENERGY EFFICIENCY COOPERATION, SPLIT OVER RES TRADING IN GREEN PACKAGE

EU Energy Ministers meeting in Council on 28 February gave overall support to the package of energy-climate measures proposed by the European Commission in January. Though some countries felt their targets were "*too ambitious*", EU Energy Commissioner Andris Piebalgs said there was a "*good chance*" of agreement in Council by end-2008. Council also endorsed the *Strategic Energy Technology (SET) Plan* and gave a mandate to the Commission to negotiate an international partnership on energy efficiency.

While Ministers gave a generally positive reception to the "green package"* as a whole during debate, Council President Andrej Vizjak+ told the press some of the binding national targets for take-up of renewable energies were seen as "*very ambitious*" and stressed the need for "*lot of flexibility*" in meeting them, including "*more public support*" for RES, hence the post-2014 guidelines for state aid to environmental projects would need to be as "*supportive*" as the current ones. The Danish delegation was later quoted saying their target was too high, the Italians pleaded lack of potential to boost RES, Austria complained past efforts were not being taken into account and Cyprus warned it could not meet the target without imports.

The issue of importing RES# via guarantees of origin (GOs) aroused the most debate. Germany, Spain, Finland and Latvia feared that GO trading could impact negatively on their existing RES-schemes and argued that governments must remain "*in full control*" of GO trade, while Luxembourg joined Cyprus, Italy and the UK in calling for greater flexibility. "*The interaction of the various instruments will need more clarification*", said Mr Vizjak.

On the updated *Emissions Trading Scheme (ETS)*°, some countries questioned the wisdom of full auctioning of allowances for the energy sector, but Mr Piebalgs argued that free allowances had led to "*windfall profits*" for some. Several delegations expressed fears that energy-intensive industry would re-locate outside the EU and said any compensation measures under the ETS should be sorted out before the proposed 2011 date. Despite the various comments, several delegations stressed the need to reach speedy agreement on the package, some even suggesting that a deal with Parliament could be finalised this year.

Council endorsed the *SET Plan*^, after the individual technology options were deleted from the text to overcome Austria's opposition to supporting nuclear power. The Plan aims to "*accelerate the development and wide-scale application of clean, sustainable and efficient energy technologies*" through research, the establishment of a set of priority *Industry Initiatives* and a "*stable and predictable policy framework*" so as to ensure "*full engagement of the private sector.*"

Council also gave a negotiating mandate to the Commission to work on international partnership on *Energy Efficiency*. The intention is to sign the cooperation agreement to build a shared "*knowledge platform*" during a meeting of G8 Energy Ministers in Japan in June.

See DNs +04/03; *23,29 &31/01; #19/12/2007 et al; °30/01/2008 et al;^03/12/2007.

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