AMENDMENTS 001-186
by the Committee on Industry, Research and Energy

Report

Jerzy Buzek

Internal market for electricity


Amendment 1

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand response and storage. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency.

Amendment

(5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants and be empowered to manage their energy consumption. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand side solutions and storage, and of digitalisation through the integration of innovative technologies with the electricity system. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency. The achievement of the internal energy market through the effective integration of renewable energy can drive investments in the long term and can contribute to
delivering the objectives of the Energy Union and the 2030 climate and energy framework.

Amendment 2
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other distortive measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households and SMEs.

Amendment

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to react to market signals and to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that administrative and implicit price caps are removed to allow scarcity pricing. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other distortive measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households, SMEs and industrial consumers.

Amendment 3
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) The precondition for effective competition in the internal market in electricity is non-discriminatory and transparent charges for network use including interconnecting lines in the transmission system. The available

Amendment

(12) The precondition for effective competition in the internal market in electricity is non-discriminatory, transparent and adequate charges for network use including interconnecting lines in the transmission system. The
capacity of those lines should be set at the maximum levels consistent with the safety standards of secure network operation.

Amendment 4
Proposal for a regulation
Recital 26

Text proposed by the Commission
(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment.

Amendment
(26) A robust methodology for the long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns at the Union, regional and Member State level and the bidding zone levels. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment. Capacity mechanisms should be allowed to be introduced only if the Union level resource adequacy assessment, conducted by the ENTSO-E, has identified adequacy concerns or if a positive decision concerning the implementation plan has been received from the Commission.

Amendment 5
Proposal for a regulation
Recital 27

Text proposed by the Commission
(27) The medium to long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016)0862]. Medium- to long-term assessments are mainly used to assess the need for capacity mechanisms whereas seasonal outlooks are used to alert to risks that might occur in the

Amendment
(27) The methodology for the long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016)0862]. Medium- to long-term assessments are mainly used to identify adequacy concerns whereas seasonal outlooks are used to alert to short-term
following six months that are likely to result in a significant deterioration of the electricity supply situation. In addition, Regional Operational Centres also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.

Amendment 6

Proposal for a regulation
Recital 28 a (new)

Text proposed by the Commission

Amendment

(28a) Member States should introduce capacity mechanisms only as a last resort, where adequacy concerns cannot be addressed through the removal of existing market distortions. Before introducing a capacity mechanism which operates within the electricity market and therefore is market-distortive, Member States should evaluate whether strategic reserves would be sufficient to address their adequacy concerns. Strategic reserves are less distortive since they operate only outside the market and only in rare cases when markets can no longer clear. Strategic reserves can avoid financial consequences to market operators that cannot fulfil their balancing responsibilities and that would consequently bear significant cost.

Amendment 7

Proposal for a regulation
Recital 31

Text proposed by the Commission

Amendment

(31) Detailed rules for facilitating
effective cross-border participation in capacity mechanisms other than *reserve schemes* should be laid down. Transmission system operators across the borders should facilitate interested generators *wanting to participate* in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.

**Amendment 8**

**Proposal for a regulation**

**Recital 35**

*Text proposed by the Commission*

Regional *operational* centres should carry out functions where their regionalisation brings added value compared to functions performed at national level. The functions of regional operational centres should cover the functions carried out by regional security coordinators as well as additional *system operation, market operation and risk preparedness* functions. The functions carried out by regional *operational* centres should exclude real time operation of the electricity system.

*Amendment*

(35) Regional *coordination* centres should carry out functions where their regionalisation brings added value compared to functions performed at national level. The functions of regional operational centres should cover the functions carried out by regional security coordinators as well as additional functions *with regional importance*. The functions carried out by regional *coordination* centres should exclude real time operation of the electricity system.

**Amendment 9**

**Proposal for a regulation**

**Recital 35 a (new)**

*Text proposed by the Commission*

(35 a) *In performing their functions, regional coordination centres shall contribute to the achievement of the 2030 and 2050 objectives set out in the climate and energy policy framework.*
Amendment 10

Proposal for a regulation
Article 1 – paragraph 1 – point a

Text proposed by the Commission

(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030\textsuperscript{30} by enabling market signals to be delivered for increased flexibility, decarbonisation and innovation;

\textsuperscript{30} COM/2014/015 final.

Amendment

(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030\textsuperscript{30} by enabling market signals to be delivered for increased flexibility, \textit{efficiency}, decarbonisation, innovation \textit{and a higher share of renewable energy sources}.

\textsuperscript{30} COM/2014/015 final.

Amendment 11

Proposal for a regulation
Article 1 – paragraph 1 – point b

Text proposed by the Commission

(b) setting fundamental principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable demand response and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy by enabling market integration and market-based remuneration of electricity generated from renewable sources;

Amendment

(b) setting fundamental principles for well-functioning \textit{cross-border}, integrated and \textit{liquid} electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable \textit{competitiveness on the global market}, demand response, \textit{energy storage} and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy by enabling market \textit{and sectoral} integration and market-based remuneration of electricity generated from renewable sources;
Amendment 12
Proposal for a regulation
Article 1 – paragraph 1 – point d

Text proposed by the Commission
(d) facilitating the emergence of a well-functioning and transparent wholesale market with a high level of security of supply in electricity. It provides for mechanisms to harmonise the rules for cross-border exchanges in electricity.

Amendment
(d) facilitating the emergence of a well-functioning, liquid and transparent wholesale market contributing to a high level of security of supply in electricity. It provides for mechanisms to harmonise the rules for cross-border exchanges in electricity.

Amendment 13
Proposal for a regulation
Article 2 – paragraph 2 – point c

Text proposed by the Commission
(c) ‘congestion’ means a situation in which all requests from market participants to trade between two bidding zones cannot be accommodated because they would significantly affect the physical flows on network elements which cannot accommodate those flows;

Amendment
(c) ‘congestion’ means a situation in which all requests from market participants to trade cannot be accommodated because they would significantly affect the physical flows on network elements which cannot accommodate those flows;

Justification
According to the understanding of original definition, the congestion could only exist between two bidding zones which would not reflect real conditions of transmission system and must be considered as well (typical example would be case of DE with internal congestions inside one bidding zone). Definition should be also aligned with definitions used in the network codes and guidelines.

Amendment 14
Proposal for a regulation
Article 2 – paragraph 2 – point e

Text proposed by the Commission
(e) ‘structural congestion’ means congestion in the transmission system that is predictable, is geographically stable over

Amendment
(e) ‘structural congestion’ means congestion in the transmission system that is predictable, geographically stable over
time, and is frequently reoccurring under normal power system conditions;

**Amendment 15**

**Proposal for a regulation**
**Article 2 – paragraph 2 – point u**

*Text proposed by the Commission*

(u) ‘capacity mechanism’ means an administrative measure to ensure the achievement of the desired level of security of supply by remunerating resources for their availability not including measures relating to ancillary services;

*Amendment*

(u) capacity mechanism’ means temporary administrative measures taken by Member States to fill the expected resource adequacy gap for electricity supply to match electricity demand by offering additional payments to capacity providers that operate in the electricity market, in addition to income obtained by selling electricity on the market in return for the availability of existing capacity or investment in new capacity to guarantee the necessary level of security of supply;

**Amendment 16**

**Proposal for a regulation**
**Article 2 – paragraph 2 – point v**

*Text proposed by the Commission*

(v) ‘strategic reserve’ means a capacity mechanism in which resources are only dispatched in case day-ahead and intraday markets have failed to clear, transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply, and imbalances in the market during periods where the reserves were dispatched are settled at the value of lost load;

*Amendment*

(v) ‘strategic reserve' means a capacity mechanism in which resources are held outside the electricity market and are only dispatched in case day-ahead and intraday markets have failed to clear, transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply, and imbalances in the market during periods where the reserves were dispatched are settled at least at technical price limits or at the value of lost load;
Amendment 17
Proposal for a regulation
Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States, national regulatory authorities, transmission system operators, distribution system operators, and market operators shall ensure that electricity markets are operated in accordance with the following principles:

Amendment

1. Member States, national regulatory authorities, transmission system operators, distribution system operators, market operators and third parties to whom responsibilities have been delegated or assigned, shall ensure that electricity markets are operated in accordance with the following principles:

Amendment 18
Proposal for a regulation
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) actions which prevent price formation on the basis of demand and supply or constitute a disincentive to the development of more flexible generation, low carbon generation, or more flexible demand shall be avoided;

Amendment

(b) actions which prevent price formation on the basis of demand and supply shall be avoided;

Amendment 19
Proposal for a regulation
Article 3 – paragraph 1 – point b a (new)

Text proposed by the Commission

(ba) the development of more flexible generation, sustainable low carbon generation, and more flexible demand shall be promoted;

Amendment

(ba) the development of more flexible generation, sustainable low carbon generation, and more flexible demand shall be promoted;

Amendment 20
Proposal for a regulation
Article 3 – paragraph 1 – point c
(c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets; and be empowered to act as participant in the energy market and the energy transition;

Amendment 21
Proposal for a regulation
Article 3 – paragraph 1 – point e

Text proposed by the Commission

(e) market rules shall support the decarbonisation of the economy by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;

Amendment

(e) market rules shall support the decarbonisation of the electricity system and thus the economy by enabling the integration of electricity from renewable energy sources including energy storage and providing incentives for energy efficiency;

Amendment 22
Proposal for a regulation
Article 3 – paragraph 1 – point f

Text proposed by the Commission

(f) market rules shall deliver appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;

Amendment

(f) market rules shall encourage free price formation to deliver appropriate investment incentives for generation, in particular long-term investments for a decarbonised and sustainable electricity system storage, energy efficiency, demand response and facilitate fair competition and thus ensure security of supply;

Amendment 23
Proposal for a regulation
Article 3 – paragraph 1 – point g
(g) barriers to cross-border electricity flows and cross-border transactions on electricity markets and related services markets shall be avoided;

(g) barriers to cross-border electricity flows and cross-border transactions on electricity markets and related services markets shall be removed;

Amendment 24

Proposal for a regulation
Article 3 – paragraph 1 – point h

(h) market rules shall provide for regional cooperation where effective;

(h) market rules shall provide for strong regional cooperation where effective;

Amendment 25

Proposal for a regulation
Article 3 – paragraph 1 – point j a (new)

(ja) electricity generation operators shall bear full financial and legal responsibility deriving from their assets;

Amendment 26

Proposal for a regulation
Article 3 – paragraph 1 – point k

(k) market rules shall allow for progress in research and development to be realized and used to the benefit of society;

(k) market rules shall allow for progress in research and development into sustainable, secure and low-carbon energy sources, technologies or systems to be realized and used to the benefit of society;
Amendment 27

Proposal for a regulation
Article 3 – paragraph 1 – point l

*Text proposed by the Commission*

(l) market rules shall enable the efficient dispatch of generation assets and demand response;

*Amendment*

(l) market rules shall enable the efficient dispatch of generation assets, storage and demand response;

Amendment 28

Proposal for a regulation
Article 3 – paragraph 1 – point m

*Text proposed by the Commission*

(m) market rules shall allow for entry and exit of electricity generation and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;

*Amendment*

(m) market rules shall allow for entry and exit of electricity generation, energy storage and electricity supply undertakings based on their assessment of the economic and financial viability of their operations; effective competition and price formation;

Amendment 29

Proposal for a regulation
Article 3 – paragraph 1 – point n

*Text proposed by the Commission*

(n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and eliminate uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition.

*Amendment*

(n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and mitigate uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition while current products offered on exchanges should be further expanded and promoted at Union level; Regulatory changes shall take into account effects on both short-term and long-term forward and futures markets and products.
Amendment 30
Proposal for a regulation
Article 3a (new)

Text proposed by the Commission

Amendment

Article 3a
Just transition

The Commission shall support Member States that put in place a national strategy for the progressive reduction of installed coal and other solid fossil fuel generation and mining capacity through all available means, including targeted financial support to enable a “just transition” in regions affected by structural change. The Commission shall assist Member States to address the social, skills and industrial impacts of the clean energy transition.

The Commission shall work in close partnership with the actors of coal and carbon-intensive regions, provide guidance, in particular for the access to and use of available funds and programmes, and shall encourage the exchange of good practices, including discussions on industrial roadmaps and re-skilling needs.

Amendment 31
Proposal for a regulation
Article 4 – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. When a Member State chooses to provide a derogation in accordance with Article 4(2), it shall ensure that the financial responsibilities for imbalances are fulfilled by another party.
Amendment 32

Proposal for a regulation
Article 5 – paragraph 1

Text proposed by the Commission

1. All market participants shall have access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.

Amendment

1. All market participants, including those providing electricity generated from variable renewable sources and demand side response and storage services shall have full access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.

Amendment 33

Proposal for a regulation
Article 5 – paragraph 2

Text proposed by the Commission

2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants taking account of the different technical capability of generation from variable renewable sources and demand side response and storage.

Amendment

2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants. All generation, including from variable renewable sources, demand side response and storage shall be enabled to participate on equal footing in balancing markets, taking account of the different technical capability.

Amendment 34

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. Balancing energy shall be procured separately from balancing capacity. Procurement processes shall be transparent while at the same time respecting

Amendment

3. Balancing energy shall be procured separately from balancing capacity. The price of balancing energy shall not be predetermined in a contract of balancing except where an exemption is applied in
Procurement processes shall be transparent while at the same time respecting confidentiality.

Amendment 35

Proposal for a regulation
Article 5 – paragraph 5

Text proposed by the Commission

5. **Marginal pricing shall be used for** the settlement of balancing energy. Market participants shall be allowed to bid as close to real time as possible, and **at least after the intraday cross-zonal gate closure time** determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222.\(^3^4\)

Amendment

5. **The settlement of balancing energy shall be based on marginal pricing. On balancing markets,** market participants shall be allowed to bid as close to real time as possible, and **balancing energy gate closure times shall not be before** intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222.\(^3^4\)


Amendment 36

Proposal for a regulation
Article 5 – paragraph 7

Text proposed by the Commission

7. The sizing of reserve capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional *operational* centres shall support transmission system operators in determining the amount of balancing.

Amendment

7. The sizing of reserve capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional *coordination* centres shall support transmission system operators in determining the amount of balancing.
capacity that needs to be procured in accordance with point 8 of Annex I.
capacity that needs to be procured in accordance with point 8 of Annex I.

Amendment 37
Proposal for a regulation
Article 5 – paragraph 8

Text proposed by the Commission

8. The procurement of balancing capacity shall be facilitated on a regional level in accordance with point 8 of Annex I. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process individually or through aggregation.

Amendment

8. The procurement of balancing capacity shall be performed by the transmission system operators. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process, whether market participants participate individually or through aggregation subject to technical constraints inherent in managing networks. The reservation of cross-zonal capacity for the exchange of balancing capacity shall be limited to 5% of the available capacity for the exchange of energy of the previous relevant calendar year between the respective bidding zones.

Amendment 38
Proposal for a regulation
Article 5 – paragraph 9

Text proposed by the Commission

9. The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. The contracting shall be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum of one day.

Amendment

9. The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. Procurement of balancing capacity shall be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum duration of one day.
Amendment 39
Proposal for a regulation
Article 5 – paragraph 10

10. Transmission system operators shall publish close to real-time information on the current balancing state of their control areas, the imbalance price and the balancing energy price.

Amendment
10. Transmission system operators or third parties to whom these responsibilities have been delegated by the relevant transmission system operator, Member State or regulatory authority shall publish close to real-time information on the current balancing state of their control areas, the estimated imbalance price and the estimated balancing energy price.

Amendment 40
Proposal for a regulation
Article 5 – paragraph 10 a (new)

10a. Member States shall report on the functioning and transparency of, and access to, in particular by small providers, the balancing markets, in particular for the purpose of Article 4, through the reporting procedure on the internal energy market laid down in Article 21 of Regulation .../... [Governance of the Energy Union].

Amendment 41
Proposal for a regulation
Article 6 – paragraph 2 – point a

(a) be organised in such a way as to be non-discriminatory;

Amendment
(a) be non-discriminatory;
Amendment 42
Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

3. Market operators shall be free to develop products and trading opportunities that suit market participants’ demand and needs and ensure that all market participants are able to access the market individually or through aggregation. They shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.

Amendment

3. Market operators shall be free to develop products and trading opportunities that suit market participants’ demand and needs and ensure that all market participants are able to access the market individually or through aggregation. They shall respect the need to accommodate increasing shares of variable generation and energy storage as well as increased demand responsiveness and the advent of new technologies.

Amendment 43
Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time determined in accordance with Article 59 of Regulation (EU) 2015/1222.

Amendment

1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before real time across all bidding zones.

Amendment 44
Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

2. Market operators shall provide market participants with the opportunity to trade in energy in time intervals at least as short as the imbalance settlement period in both day-ahead and intraday markets.

Amendment

2. Market operators shall provide market participants with the opportunity to trade in energy in national and cross-border markets in time intervals at least as short as the imbalance settlement period in both day-ahead and intraday markets.
Amendment 45

Proposal for a regulation
Article 7 – paragraph 3

Text proposed by the Commission

3. Market operators shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 1 Megawatt or less, to allow for the effective participation of demand-side response, energy storage and small-scale renewables.

Amendment

3. Market operators shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 500 Kilowatt, to allow for the effective participation of demand-side response, energy storage and small-scale renewables including directly by customers.

Amendment 46

Proposal for a regulation
Article 7 – paragraph 4

Text proposed by the Commission

4. By 1 January 2025, the imbalance settlement period shall be 15 minutes in all control areas.

Amendment

4. By 1 January 2021, the imbalance settlement period shall be 15 minutes in all control areas.

Amendment 47

Proposal for a regulation
Article 8 – paragraph 3

Text proposed by the Commission

3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall not restrict such hedging activity to trades within a Member State or bidding zone.

Amendment

3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall support the liquidity of such products, in particular of exchange-based products that have already been developed, and shall allow them to be traded across
Amendment 48

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. There shall be no maximum limit of the wholesale electricity price unless it is set at the value of lost load as determined in accordance with Article 10. There shall be no minimum limit of the wholesale electricity price unless it is set at a value of minus 2000 € or less and, in the event that it is or anticipated to be reached, set at a lower value for the following day.

This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.

Amendment

1. There shall be no maximum and no minimum limit of the wholesale electricity price. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.

Amendment 49

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, until [OP: two years after entry into force] market operators may apply limits on maximum clearing prices for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222. In the event that limits are, or are anticipated to be, reached, they shall be raised for the following day.

Amendment

2. By way of derogation from paragraph 1, market operators may apply technical limits on maximum and minimum bidding limits for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222 and for the balancing timeframe in accordance with Regulation (EU) 2017/2195. In the event that those technical limits are, or are anticipated to be, reached, they shall be automatically adjusted. The technical price limits shall be sufficiently high so as not to unnecessarily restrict trade, and shall be harmonised for the common market area. They shall be returned to initial values after the scarcity situation is over.
Amendment 50

Proposal for a regulation
Article 10 – paragraph 1

Text proposed by the Commission

1. By [OP: one year after entry into force] Member States shall establish a single estimate of the Value of Lost Load (VoLL) for their territory, expressed in €/MWh. That estimate shall be reported to the Commission and made publically available. Member States may establish different VoLL per bidding zone if they have several bidding zones in their territory. In establishing VoLL, Member States shall apply the methodology developed pursuant to Article 19(5).

Amendment

1. By [OP: one year after entry into force] Member States shall establish a single estimate of the Value of Lost Load (VoLL) for their territory, expressed in €/MWh. That estimate shall be reported to the Commission and made publically available. In the case of cross-border bidding zones, Member States shall establish a common estimate of the VoLL. Member States may establish different VoLL per bidding zone if they have several bidding zones in their territory. In establishing VoLL, Member States shall apply the methodology developed pursuant to Article 19(5).

Amendment 51

Proposal for a regulation
Article 11 – paragraph 2 – point a

Text proposed by the Commission

(a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW; or

Amendment

(a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW;

Amendment 52

Proposal for a regulation
Article 11 – paragraph 2 – point b

Text proposed by the Commission

(b) demonstration projects for innovative technologies.

Amendment

(b) generating installations which are demonstration projects for innovative technologies;

Member States may apply higher limits to local energy communities as established.
Amendment 53

Proposal for a regulation
Article 11 – paragraph 3

Text proposed by the Commission

3. Where the total capacity of generating installations subject to priority dispatch under paragraph 2 is higher than 15% of the total installed generating capacity in a Member State, point (a) of paragraph 2 shall apply only to additional generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW.

Amendment

3. A Member State which does not at the time of entry into force of this Regulation grant priority dispatch to any generating installations may request to be exempted from the provisions of paragraph 2 if it can demonstrate to the Commission that all of the following conditions are met:

(a) no priority dispatch exists for installations other than those listed in paragraph 2 is in place;

(b) its liquid intraday, wholesale and balancing markets are fully accessible to all market players in accordance with the provisions of this Regulation;

(c) its curtailment rules and congestion management are transparent to all market parties and comply with the provisions of this Regulation;

(d) its renewable energy target for 2030 is sufficient for the collective achievement of the Union’s binding overall target for share of energy from renewable sources pursuant to Article 3(2) of [Directive 2009/28/EC as proposed by COM(2016)0767] and the Member State is expected to meet its target

The Commission shall approve or reject a request for exemption within six months of receipt of the request. Any exemption granted shall avoid retroactive changes for installations already benefiting from priority dispatch, notwithstanding any
From 1 January 2026, point (a) of paragraph 2 shall apply only to generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW or, if the threshold under the first sentence of this paragraph has been reached, of less than 125 kW.

Amendment 54
Proposal for a regulation
Article 11 – paragraph 4

Text proposed by the Commission

4. Generating installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.

Amendment

4. Without prejudice to paragraph 3 of this Article, generating installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.


2. The resources curtailed or redispatched shall be selected amongst generation or demand facilities submitting offers for curtailment or redispatching using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation or redispatching of demand response shall only be used where no market-based alternative is available, where all available market-based resources have been used, or where the number of generation or demand facilities available in the area where suitable generation or demand facilities for the provision of the service are located is too low to ensure effective competition. The provision of market-based resources shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.

Amendment 56

Proposal for a regulation
Article 12 – paragraph 3

3. The responsible system operators shall report at least once per year to the competent regulatory authority on curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration and on measures taken to reduce the need for such curtailment or downward redispatching in the future.

Amendment

3. The responsible system operators shall report at least once per year to the competent regulatory authority, which shall be transmitted to the Agency, on:
Curtailment or redispatching of generating installations using renewable energy sources or high-efficiency cogeneration shall be subject to compensation pursuant to paragraph 6.

(a) the level of development and effectiveness of market-based curtailment or redispatching mechanisms for generation and demand facilities;

(b) the reasons, volumes in MWh and type of generation source subject to curtailment or downward redispatching;

(c) the measures taken to reduce the need for the curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration in the future including investments in digitalisation of the grid infrastructure and in services that increase flexibility;

(d) requests and contractual arrangements made with generating units for them to operate at a certain level of electricity infeed, the necessity of which the system operators shall justify, specifying to what extent those services could not be provided by other units.

The competent regulatory authority shall publish the data referred to in paragraphs (a) to (d) together with recommendations for improvement where necessary.

Curtailment or redispatching of generating installations using renewable energy sources or high-efficiency cogeneration shall be subject to compensation pursuant to paragraph 6.

Amendment 57

Proposal for a regulation
Article 12 – paragraph 4 – point a

Text proposed by the Commission

(a) guarantee the capability of

Amendment

(a) guarantee the capability of
transmission and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where this is shown to be more economically efficient and does not exceed 5% of installed capacities using renewable energy sources or high-efficiency cogeneration in their area; transmission and distribution networks to transmit electricity produced from renewable energy sources, energy storage, demand-response or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where they can demonstrate in a transparent way that this is more economically efficient and does not exceed 5% of installed capacities using renewable energy sources, energy storage, demand-response or high-efficiency cogeneration in their area;

Amendment 58
Proposal for a regulation
Article 12 – paragraph 4 – point b (new)

Text proposed by the Commission

(ba) ensure that their networks are sufficiently flexible such that they are in a position to manage them.

Amendment

Amendment 59
Proposal for a regulation
Article 12 – paragraph 5 – point a

Text proposed by the Commission

(a) generating installations using renewable energy sources shall only be subject to downward redispatching or curtailment if no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;

Amendment

(a) generating installations using renewable energy sources shall only be subject to downward redispatching or curtailment if no other alternative exists or if other solutions would result in significantly disproportionate costs or significant risks to network security;

Amendment 60
Proposal for a regulation
Article 12 – paragraph 5 – point b

...
(b) generating installations using high-efficiency cogeneration shall only be subject to downward redispatching or curtailment if, other than curtailment or downward redispatching of generating installations using renewable energy sources, no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;

(b) electricity generated in a high-efficiency cogeneration process shall only be subject to downward redispatching or curtailment if, other than curtailment or downward redispatching of generating installations using renewable energy sources, no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;

Amendment 61

Proposal for a regulation
Article 12 – paragraph 6 – introductory part

Text proposed by the Commission

6. Where non-market based curtailment or redispatching is used, it shall be subject to financial compensation by the system operator requesting the curtailment or redispatching to the owner of the curtailed or redispached generation or demand facility. Financial compensation shall at least be equal to the highest of the following elements:

Amendment 62

Proposal for a regulation
Article 12 – paragraph 6 – point b

Text proposed by the Commission

(b) 90 % of the net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the curtailment or redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be

Amendment

(b) net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the redispachting request, including lost financial support where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed.
deemed part of the net revenues.

Amendment 63
Proposal for a regulation
Article 13 – paragraph 1

Text proposed by the Commission

1. Bidding zone borders shall be based on long-term, structural congestions in the transmission network and bidding zones shall not contain such congestions. The configuration of bidding zones in the Union shall be designed in such a way as to maximise economic efficiency and cross-border trading opportunities while maintaining security of supply.

Amendment

1. The configuration of bidding zones in the Union shall be designed in such a way as to ensure liquidity of day-ahead and intraday markets, and thus to maximise economic efficiency and cross-border trading opportunities while maintaining security of supply. Bidding zone borders shall be based on long-term, structural congestions in the transmission network and bidding zones shall not contain such congestions unless they have no impact on neighbouring bidding zones, or their impact is mitigated by remedial actions.

Amendment 64
Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. Each bidding zone should be equal to an imbalance price area.

Amendment

2. Each bidding zone should be equal to an imbalance price area, except where an imbalance price area may constitute a part of a bidding zone.

Amendment 65
Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission

3. In order to ensure an optimal bidding zone definition in closely interconnected areas, a bidding zone review shall be

Amendment

3. In order to ensure an optimal bidding zone definition in closely interconnected areas, a bidding zone review shall be
carried out. That review shall include analysis of the configuration of bidding zones in a coordinated manner with the involvement of affected stakeholders from all affected Member States, following the process in accordance with Articles 32 to 34 of Regulation (EU) 2015/1222. The Agency shall approve and may request amendments to the methodology and assumptions that will be used in the bidding zone review process as well as the alternative bidding zone configurations considered.

**Amendment 66**

Proposal for a regulation

Article 13 – paragraph 4

*Text proposed by the Commission*

4. The transmission system operators participating in the bidding zone review shall submit a proposal to the **Commission regarding** whether to amend or maintain the bidding zone configuration. Based on that proposal, the **Commission** shall **adopt** a decision whether to amend or maintain the bidding zone configuration, *[no later than 6 months after entry into force of this Regulation, specific date to be inserted by OP]* or by six months after the conclusion of the bidding zone configuration launched in accordance with points (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, whichever comes later.

*Amendment*

4. The transmission system operators participating in the bidding zone review shall submit a proposal to the **relevant Member States** whether to amend or maintain the bidding zone configuration. The **relevant Member States** shall be those participating in the review pursuant to Article 32(2) of Regulation (EU) 2015/1222 and those in the same **Capacity Calculation Region(s)** pursuant to Regulation (EU) 2015/1222. Based on the proposal, the **relevant Member States** shall **come to a unanimous decision within six months** on whether to amend or maintain the bidding zone configuration. Other **Member States**, Energy Community
Contracting Parties or other third countries sharing the same synchronous area with any Member State may submit comments. The decision shall be reasoned, in accordance with relevant Union law and shall take account of any observations of other Member States, Energy Community Contracting Parties and other third countries sharing the same synchronous area with any Member State, as well as of commitments on addressing existing congestion made by the relevant Member States. The relevant Member States shall notify the Commission and the Agency of their decision and any cross-border agreements entered into by the Member States, the regulatory authorities or the transmission system operators for the purpose of achieving consensus. Agreements entered into by the relevant Member States shall not deviate from coordinated capacity calculation processes as set out in Article 14 of this Regulation nor from the relevant provisions of Regulation (EU) 2015/1222.

Amendment 67

Proposal for a regulation
Article 13 – paragraph 4 a(new)

Text proposed by the Commission

Amendment

4 a. Where the relevant Member States fail to come to a unanimous decision within the deadline referred to in paragraph 4, or where the Member States become aware of the fact that commitments on which a previous unanimous decision was based were not complied with, they shall immediately notify the Commission.

The Commission shall initiate a conciliation procedure and shall act as a mediator between the relevant Member States. In the conciliation procedure, the relevant Member States shall, within six
months of such initiation, adopt a unanimous decision on whether to amend or maintain the bidding zone configuration.

Where the relevant Member States in the conciliation fail to adopt a unanimous decision within six months, the Member State with the internal structural congestion shall have the choice to either amend its bidding zone or establish a roadmap with concrete measures on how to overcome the congestions in its national territory in due time. That Member State shall immediately notify its choice to the Commission.

For those Member States that choose to amend their bidding zones, the Commission shall adopt a decision within six months of that notification, after a thorough evaluation of all the issues at stake, together with an assessment of all available solutions.

Amendment 68

Proposal for a regulation
Article 13 – paragraph 5

Text proposed by the Commission

5. The decision referred to in paragraph 4 shall be based on the result of the bidding zone review and the transmission system operators’ proposal concerning its maintenance or amendment. The decision shall be justified, in particular as regards possible deviations from the result of the bidding zone review.

Amendment

5. Where the relevant Member State chooses to establish a detailed road map with concrete milestones on how the congestion issues will be resolved, that Member State shall, within six months of the Commission decision, present that roadmap to the Commission and other relevant Member States. During the implementation of the roadmap the relevant Member State shall regularly report to the Commission on the progress made.

Irrespective of the concrete progress of the roadmap, the Member State that is implementing a roadmap shall ensure that the cross-border trade capacities are increased every year up to the benchmark
level of at least 75% calculated in accordance with Article 14 paragraph 7, which is to be achieved by the end of 2025. The yearly increase shall be achieved by means of a linear trajectory.

The starting of this trajectory shall be either the capacity allocated at this border in the year before adoption of the roadmap or the average of the three last years before the adoption of the roadmap, whatever is higher.

Member States shall be considered to be in compliance with Article 14 paragraph 7 if the capacity made available for cross-zonal trade is at least equal to the values of the linear trajectory.

Amendment 69
Proposal for a regulation
Article 13 – paragraph 5 a (new)

Text proposed by the Commission

5a. The relevant transmission system operators and national regulatory authorities shall assess yearly whether the available cross-border capacity has reached the linear trajectory or, as of the end of 2025, the minimum level outlined in Article 14(7).

Amendment 70
Proposal for a regulation
Article 13 – paragraph 5 b (new)

Text proposed by the Commission

5b. For those Member States for which the assessment referred to in paragraph 5a demonstrates that a transmission system operator has not been compliant with the linear trajectory, or as of the end of 2025, with the level outlined in Article 14 (7), the Commission may recommend
additional measures and as a measure of last resort, adopt a decision whether to amend or maintain the bidding zone configuration in and between those Member States.

Amendment 71
Proposal for a regulation
Article 13 – paragraph 6

Text proposed by the Commission

Amendment

6. Where further bidding zone reviews are launched under Article 32(1)(a), (b) or (c) of Regulation (EU) 2015/1222, the Commission may adopt a decision within six months of the conclusion of that bidding zone review.

Amendment 72
Proposal for a regulation
Article 13 – paragraph 7

Text proposed by the Commission

Amendment

7. The Commission shall consult relevant stakeholders on its decisions under this Article before they are adopted.

Amendment 73
Proposal for a regulation
Article 13 – paragraph 8

Text proposed by the Commission

Amendment

8. The Commission decision shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity. The Commission may define appropriate transitional arrangements as part of its decision.
Amendment 74
Proposal for a regulation
Article 13 – paragraph 8 a (new)

Text proposed by the Commission

8a. Where further bidding zone reviews are launched under point (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, paragraphs 4 to 8 of this Article shall apply.

Amendment 75
Proposal for a regulation
Article 14 – paragraph 3

Text proposed by the Commission

3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level.

Amendment

3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level.

When allocating cost of remedial actions between transmission system operators, regulators shall analyse to what extent unscheduled flows leaving and re-entering a bidding zone contribute to the congestion observed between two bidding zones and allocate the counter-trading and redispatch costs in proportion to their contribution to the congestion.

Amendment 76
Proposal for a regulation
Article 14 – paragraph 7
7. Transmission system operators shall not limit the volume of interconnection capacity to be made available to other market participants in order to solve congestion inside their own control area or as a means of managing flows on a border between two control areas observed even without any transaction, that is to say flows over control areas caused by origin and destination within one control area.

Without prejudice to the forth subparagraph of Article 13(5), this paragraph shall be considered to be complied with if the following minimum levels of available capacity for cross-zonal trade, which is calculated pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 taking account of contingencies, are reached:

(i) for borders using a coordinated net transfer capacity approach, if at least 75 % of the net transfer capacity pursuant to capacity allocation and congestion management guideline are made available for cross-border trade;

(ii) for borders using a flow-based approach, if on cross-zonal and internal critical network elements considered in the flow-based calculation at least 75 % of the thermal capacity after reduction of the amount required to secure the N-1 principle pursuant to the capacity allocation and congestion management guideline is used as an input for capacity allocation.
Amendment 78

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

Charges for access to networks

Amendment

Charges for access to networks, use of networks and reinforcement

1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be fair, cost-reflective, transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. In particular, they shall be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage and shall not create disincentives for participation in demand response. Without prejudice to paragraph 3, those charges shall not be distance-related.
Amendment 79

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission

2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and support investments and the related research activities.

Amendment

2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and global competitiveness, and support efficient investments, in particular in digitalisation, flexibility services and interconnections, and the related research activities. Tariffs shall not create disincentives for energy storage, demand response or self-generation production.

Amendment 80

Proposal for a regulation
Article 16 – paragraph 7

Text proposed by the Commission

7. Distribution tariffs shall reflect the cost of use of the distribution network by system users including active customers, and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, regulatory authorities may introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable way for the consumer.

Amendment

7. Transmission and distribution tariffs shall be cost-reflective by taking into account the investment cost, added value of distributed generation, flexibility, digitalisation, demand response, storage and use of the transmission and distribution network by system users including active customers, may contain grid connection capacity elements and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, competent regulatory authorities shall introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable and cost efficient way for the consumer. Member States shall ensure that tariffs are not discriminatory.
Amendment 81
Proposal for a regulation
Article 16 – paragraph 8

Text proposed by the Commission

8. Regulatory authorities shall provide incentives to distribution system operators to procure services for the operation and development of their networks and integrate innovative solutions in the distribution systems. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, in their networks.

Amendment

8. Regulatory authorities shall provide incentives to distribution system operators for the most efficient operation and development of their networks and integrate innovative solutions in the distribution systems, including through the procurement of services. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, flexibility and the digitalisation of the distribution networks including the deployment of smart grids and intelligent metering systems, in their networks.

Amendment 82
Proposal for a regulation
Article 16 – paragraph 9 – introductory part

Text proposed by the Commission

9. By [OP: please add specific date – three months after entry into force] the Agency shall provide a recommendation addressed to regulatory authorities on the progressive convergence of transmission and distribution tariff methodologies. That recommendation shall address at least:

Amendment

9. By [OP: please add specific date – three months after entry into force] the Agency shall evaluate the feasibility on the convergence of transmission and distribution tariff methodologies. The feasibility study shall address at least:

Amendment 83
Proposal for a regulation
Article 16 – paragraph 9 – point g
Text proposed by the Commission

(g) groups of network users subject to tariffs, including tariff exemptions.

Amendment

(g) groups of network users subject to tariffs according to characteristics and forms of consumption, including tariff exemptions

Amendment 84

Proposal for a regulation
Article 16 – paragraph 9 a (new)

Text proposed by the Commission

9a. Regulatory authorities shall adopt a set of indicators for measuring the performance of transmission and distribution system operators, which should at least include all of the following:

(a) volume of curtailed energy in MWh, disaggregated per type of generation source;

(b) percentage of the length of lines operated under dynamic line ratings;

(c) percentage of substations remotely monitored and controlled in real-time;

(d) percentage of the length of lines operated under dynamic line ratings;

(e) losses in high, medium and low-voltage grids;

(f) the frequency and duration of power interruptions on the grid.

By [two years after the entry into force of this Regulation], and every two years thereafter, regulatory authorities shall publish a report on the performance of transmission and distribution system operators, together with recommendations for improvement where necessary.
### Amendment 85

**Proposal for a regulation**  
**Article 17 – paragraph 2**

**Text proposed by the Commission**

2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:

(a) guaranteeing the actual availability of the allocated capacity;

(b) maintaining or increasing interconnection capacities through network investments, *in particular in new interconnectors.*

If the revenues cannot be efficiently used for the purposes set out in points (a) or (b) of the first subparagraph, they shall be placed on a separate internal account line for future use on these purposes.

**Amendment**

2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:

(a) guaranteeing the actual availability of the allocated capacity; or

(b) maintaining or increasing interconnection capacities through *optimisation of the usage of existing interconnectors by coordinated remedial and countertrading actions or network investments, up to the target value for transfer capacity at cross-border boundaries.*

Where the objectives set out in points (a) and (b) of the first subparagraph are fulfilled, the residual revenues may be used as income to be taken into account by the national regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.

### Amendment 86

**Proposal for a regulation**  
**Article 17 – paragraph 3**

**Text proposed by the Commission**

3. The use of revenues in accordance with points (a) and (b) of paragraph 2 shall be subject to a methodology proposed by the Agency and approved by the Commission. The Agency's proposal shall be submitted to the Commission by [OP: 12 months after entry into force] and be approved within six months.

The Agency may, at its own initiative or upon a request from the Commission, update the methodology and the

**Amendment**

3. The use of revenues in accordance with paragraph 2 shall be subject to a methodology proposed by the Agency and approved by the Commission. The Agency's proposal shall be submitted to the Commission by [OP: 12 months after entry into force] and be approved within six months.

The Agency may, at its own initiative or upon a request from the Commission, update the methodology and the
Commission shall approve the updated methodology not later than six months from its submission.

Before submission to the Commission, the Agency shall consult on the methodology pursuant to Article 15 [recast of Regulation (EC) No 713/2009 as proposed by COM(2016)0863/2].

The methodology shall detail as a minimum the conditions under which the revenues can be used for points (a) and (b) of paragraph 2 and the conditions under which, and for how long, they may be placed on a separate internal account line for future use on those purposes.

Amendment 87

Proposal for a regulation
Article 17 – paragraph 4

Text proposed by the Commission

4. Transmission system operators shall clearly establish beforehand how any congestion income will be used, and report on the actual use of that income. On an annual basis, and by 31 July each year, the national regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period ending on 30 June of the same year and how that revenue was used, including the specific projects the income has been used for or the amount placed on a separate account line, together with verification that that use complies with this Regulation and the methodology developed pursuant to paragraph 3.

Amendment

4. Transmission system operators shall clearly establish beforehand how any congestion income will be used, and report on the actual use of that income. On an annual basis, and by 31 July each year, the national regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period ending on 30 June of the same year and how that revenue was used, including the specific projects the income has been used for the amount placed on a separate account line, or the amount that has been used when calculating network tariffs, together with verification that that use complies with this Regulation. Where some of the congestion revenues are used when calculating network tariffs, the report may set out the fulfilment by the transmission system operator of the commitment and balance sheet criteria pursuant to paragraph 2.
Amendment 88
Proposal for a regulation
Chapter 4 – title

Text proposed by the Commission

Resource adequacy

Amendment

Resource adequacy and capacity mechanisms

Amendment 89
Proposal for a regulation
Article 18 – paragraph 1

Text proposed by the Commission

1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19.

Amendment

1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19 and shall publish a report on the results of the monitoring.

Amendment 90
Proposal for a regulation
Article 18 – paragraph 2

Text proposed by the Commission

2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions that caused or contributed to the emergence of the concern.

Amendment

2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions and/or market failures that caused or contributed to the emergence of the concern.

Amendment 91
Proposal for a regulation
Article 18 – paragraph 3

Text proposed by the Commission

3. Member States shall publish a timeline for adopting measures to eliminate any identified regulatory distortions. When addressing resource adequacy concerns Member States shall in particular consider

Amendment

3. A Member State with identified adequacy concerns shall publish an implementation plan with a timeline for adopting measures to eliminate any identified regulatory distortions and/or
removing regulatory distortions, enabling scarcity pricing, developing interconnection, energy storage, demand side measures and energy efficiency.

market failures. When addressing resource adequacy concerns, the Member States shall build on the principles set out in Article 3 and in particular:

(a) remove regulatory distortions;
(b) remove price caps;
(c) introduce an administrative shortage pricing for balancing energy;
(d) increase interconnection and internal grid capacity;
(e) enable self-generation, energy storage, demand side measures and energy efficiency by removing regulatory obstacles;
(f) ensure cost-efficient and market-based procurement of balancing and ancillary services;
(g) remove regulated prices in accordance with Article 5 of Directive (EU) ... [recast of Directive 2009/72/EC as proposed by COM(2016)0864/2].

Amendment 92

Proposal for a regulation
Article 18 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. The Member States shall submit the implementation plan to the Commission for review.

Amendment 93

Proposal for a regulation
Article 18 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3 b. The Commission may decide, within two months of receipt of the implementation plan, whether the measures are sufficient to eliminate the regulatory distortions and/or market failures and may require the Member
State to amend the implementation plan accordingly.

Amendment 94
Proposal for a regulation
Article 18 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3 c. The Member State shall monitor the application of the implementation plan and shall publish the results in an annual report.

Amendment 95
Proposal for a regulation
Article 18 – paragraph 3 d (new)

Text proposed by the Commission

Amendment

3 d. The Member State shall submit a report relating to their monitoring of the application of the implementation plan to the Agency for an opinion.

Amendment 96
Proposal for a regulation
Article 18 – paragraph 3 e (new)

Text proposed by the Commission

Amendment

3 e. The Agency shall submit its opinion under paragraph 3d to the Commission. The Commission shall decide whether the reforms have been sufficiently implemented.

Amendment 97
Proposal for a regulation
Article 18 a (new)

Text proposed by the Commission

Amendment

Article 18 a
General principles for capacity mechanisms

1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may, as a last resort and subject this Article and to Union State aid rules, introduce capacity mechanisms.

2. Before introducing capacity mechanisms under paragraph, as referred to in paragraph 1, Member States shall conduct a comprehensive study of their possible effects on the neighbouring Member States by consulting, at least, its electrically connected neighbouring Member States and the stakeholders of those Member States.

3. Member States shall assess whether a capacity mechanism in the form of strategic reserve can address the adequacy concerns. Where this is not the case, Member States may implement a different type of capacity mechanism. The parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the national regulatory authority.

4. Member States shall not introduce capacity mechanisms where one or both of the following applies: (a) the European resource adequacy assessment has not identified a resource adequacy concern; (b) the detailed implementation plan as referred to in Article 18(3) has not received a positive decision by the Commission as referred to in Article 18(3b).

5. Where a Member State already applies a capacity mechanism, it shall review that mechanism and shall provide that no new contracts are concluded under that mechanism where one or both of the following applies:

(a) the European resource adequacy assessment has not identified a resource adequacy concern;
(b) the detailed implementation plan as referred to in Article 18(3) has not received a positive decision by the Commission as referred to in Article 18(3b).

6. Capacity mechanisms shall be temporary. They shall be approved by the Commission for no longer than five years. They shall be phased out or the amount of the committed capacities shall be reduced based on the implementation plan pursuant to Article 18(3). Member States shall continue the application of the implementation plan after the introduction of the capacity mechanism.

7. Generation capacity which has started commercial production after [OP: date of entry into force of this Regulation] shall be eligible to participate in a capacity mechanism only if its emissions are below 550 gr CO2/kWh. With the exception of strategic reserves generation capacity emitting 550 gr CO2/kWh or more shall not be committed in capacity mechanisms after [OP: 5 years after the entry into force of this Regulation].

Amendment 98

Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission

1. The European resource adequacy assessment shall cover the overall adequacy of the electricity system to supply current and projected demands for electricity for a ten-year period from the date of that assessment, in a yearly resolution.

Amendment

1. The European resource adequacy assessment shall determine resource adequacy concerns by assessing the overall adequacy of the electricity system to supply current and projected demands for electricity in the Union, within the relevant Member States in the region, for each Member State and down to each bidding zone where relevant, for a ten-year period from the date of that assessment, in a yearly resolution.
Amendment 99
Proposal for a regulation
Article 19 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The European resource assessment shall be conducted by the ENTSO for Electricity.

Amendment 100
Proposal for a regulation
Article 19 – paragraph 3

Text proposed by the Commission

Amendment

3. Transmission system operators shall provide the ENTSO for Electricity with the data it needs to carry out, every year, the European resource adequacy assessment. The ENTSO for Electricity shall carry out the assessment every year.

Amendment 101
Proposal for a regulation
Article 19 – paragraph 4 – introductory part

Text proposed by the Commission

Amendment

4. The European resource adequacy assessment shall be based on a transparent methodology which shall ensure that the assessment:

Amendment 102
Proposal for a regulation
Article 19 – paragraph 4 – point b

Text proposed by the Commission

Amendment

(b) is based on appropriate scenarios of
projected demand and supply including an economic assessment of the likelihood of retirement, new-build of generation assets and measures to reach energy efficiency targets and appropriate sensitivities on wholesale prices and carbon price developments;

Amendment 103

Proposal for a regulation
Article 19 – paragraph 4 – point b a (new)

Text proposed by the Commission

(proposed by the Commission)

Amendment

(ba) contains a worst case scenario which reflects the exceptionality and different likeliness of the rare events a strategic reserve is designed to address; the generation adequacy gap in such a worst case scenario shall only justify a strategic reserve with a size of not more than 5% of the peak load of the respective Member State;

Amendment 104

Proposal for a regulation
Article 19 – paragraph 4 – point c

Text proposed by the Commission

(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;

Amendment

(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, sectoral integration, demand response, and import and export possibilities and their contribution to flexible system operation;

Amendment 105

Proposal for a regulation
Article 19 – paragraph 4 – point i a (new)
Amendment 106

Proposal for a regulation
Article 19 – paragraph 5 – subparagraph 1 a (new)

Text proposed by the Commission

The methodology shall be based on a transparent, objective and verifiable criteria.

Amendment

(ia) respects real network development.

Amendment 107

Proposal for a regulation
Article 19 – paragraph 6

Text proposed by the Commission

6. The proposals under paragraphs 2 and 5 of this Article, the scenarios and assumptions on which they are based, and the results of the European resource adequacy assessment under paragraph 1a of this Article shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.

Amendment

1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.
standards shall be established jointly by the relevant authorities.

Amendment 109
Proposal for a regulation
Article 20 – paragraph 4

Text proposed by the Commission

4. The parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the national regulatory authority.

Amendment

deleted

Amendment 110
Proposal for a regulation
Article 21 – paragraph 5

Text proposed by the Commission

5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted.

Amendment

5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted. Capacity providers shall be able to participate with no more than their available maximum capacity.

Amendment 111
Proposal for a regulation
Article 21 – paragraph 6

Text proposed by the Commission

6. Regional operational centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the

Amendment

6. Regional coordination centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the
expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.

Amendment 112

Proposal for a regulation
Article 23 – paragraph 1

Text proposed by the Commission

1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may introduce capacity mechanisms, subject to the provisions of this Article and to the Union State aid rules.

Amendment

1. Any capacity mechanism shall:

(a) not create undue market distortions and not limit cross-border trade;

(b) not go beyond what is necessary to address the adequacy concern;

(c) select capacity providers by means of a transparent, non-discriminatory and market-based process;

(d) be technology neutral;

(e) provide incentives for capacity providers to be available in times of expected system stress;

(f) ensure that the remuneration is determined through a market-based process;

(g) set out the required technical conditions for the participation of capacity providers in advance of the selection process;

(h) be open to participation of all resources, including storage and demand side management that are capable of providing the required technical performance;

(i) apply appropriate penalties to capacity
providers when not available in the event of system stress;
(j) ensure that capacity contracts for existing installations are rewarded for a maximum length of 1 year.

Amendment 113
Proposal for a regulation
Article 23 – paragraph 2

Text proposed by the Commission

2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism at least with its electrically connected neighbouring Member States.

Amendment

2. Capacity mechanisms in the form of strategic reserves shall:

(a) be held outside the market;
(b) be dispatched only where day-ahead and intraday markets have failed to clear and transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply;
(c) ensure that during periods where strategic reserves were dispatched, imbalances are settled at the technical price limit applied by the market operators pursuant to Article 9 or at the value of lost load, whichever the higher.
(d) be limited to maximum emissions of 200kg/CO2/kW for the electricity production per year. The electricity generated, or the load reduction achieved by resources in the strategic reserve shall not be sold through wholesale electricity markets.

Amendment 114
Proposal for a regulation
Article 23 – paragraph 3
Text proposed by the Commission

3. Capacity mechanisms shall not create unnecessary market distortions and not limit cross-border trade. The amount of capacity committed in the mechanism shall not go beyond what is necessary to address the concern.

Amendment

3. In addition to the requirements laid down in paragraph 1, capacity mechanisms other than strategic reserves shall:

(a) be constructed so as to ensure that the price paid for availability automatically tends to zero when the level of capacity supplied is expected to be adequate to meet the level of capacity demanded;

(b) remunerate the participating resources merely for their availability and ensure that the remuneration does not affect decisions of the capacity provider whether or not to generate;

(c) ensure that capacity obligations are transferable between eligible capacity providers.

Amendment 115

Proposal for a regulation
Article 23 – paragraph 4

Text proposed by the Commission

4. Generation capacity for which a final investment decision has been made after [OP: entry into force] shall only be eligible to participate in a capacity mechanism if its emissions are below 550 gr CO2/kWh. Generation capacity emitting 550 gr CO2/kWh or more shall not be committed in capacity mechanisms 5 years after the entry into force of this Regulation.

Amendment

deleted

Amendment 116

Proposal for a regulation
Article 23 – paragraph 5
5. Where the European resource adequacy assessment has not identified a resource adequacy concern, Member States shall not apply capacity mechanisms.

Amendment 117

Proposal for a regulation
Article 24 – paragraph 1

Member States applying capacity mechanisms on [OP: entry into force of this Regulation] shall adapt their mechanisms to comply with Articles 18, 21 and 23 of this Regulation.

Amendment 118

Proposal for a regulation
Article 27 – paragraph 1 – point c

(c) prepare and adopt proposals related to the European resource adequacy assessment pursuant to Article 19(2), (3) and (5) and for the technical specifications for cross-border participation in capacity mechanisms pursuant to Article 21(10);

Amendment 119

Proposal for a regulation
Article 27 – paragraph 1 – point h a (new)

(h a) standardise, in cooperation with the EU DSO entity, relevant data formats and protocols to facilitate cross-border
exchange of data;

Amendment 120

Proposal for a regulation
Article 27 – paragraph 1 – point j a (new)

Text proposed by the Commission  Amendment
(j a) promote digitalisation of transmission systems to ensure, inter alia, efficient real time data acquisition and use and smart substations;

Amendment 121

Proposal for a regulation
Article 27 – paragraph 1 – point j b (new)

Text proposed by the Commission  Amendment
(j b) promote data management, cyber security and data protection in cooperation with relevant authorities and regulated entities;

Amendment 122

Proposal for a regulation
Article 27 – paragraph 1 – point j c (new)

Text proposed by the Commission  Amendment
(j c) develop demand response in cooperation with DSOs.

Amendment 123

Proposal for a regulation
Article 27 – paragraph 2

Text proposed by the Commission  Amendment
2. The ENTSO for Electricity shall report to the Agency on shortcomings
2. The ENTSO for Electricity shall report to the Agency on shortcomings
identified regarding the establishment and performance of regional operational centres.

identified regarding the establishment and performance of regional coordination centres.

**Amendment 124**

**Proposal for a regulation**

**Article 28 – paragraph 1**

*Text proposed by the Commission*

1. While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

*Amendment*

1. While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and *structured in a way to enable accommodating stakeholder comments before final adoption and* in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers and their representatives, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

*Justification*

*This Amendment is necessary to enable fulfilling the obligations of paragraph 3 of this Article.*

**Amendment 125**

**Proposal for a regulation**

**Article 31 – paragraph 3**

*Text proposed by the Commission*

3. For the purposes of achieving the

*Amendment*

3. For the purposes of achieving the
goals set in paragraphs 1 and 2 of this Article, the geographical area covered by each regional cooperation structure may be defined by the Commission, taking into account existing regional cooperation structures. Each Member State shall be allowed to promote cooperation in more than one geographical area. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the geographical area covered by each regional cooperation structure. For that purpose, the Commission shall consult the Agency and the ENTSO for Electricity.

Amendment 126

Proposal for a regulation
Article 32 – paragraph 1

Text proposed by the Commission

1. By [OP: twelve months after entry into force], all transmission system operators shall establish regional operational centres in accordance with the criteria set out in this chapter. Regional operational centres shall be established in the territory of one of the Member States of the region where it will operate.

Amendment

1. By [OP: twelve months after entry into force], regional coordination centres shall in addition to other tasks that are laid out in Article 34 of this Regulation, replace and cover the functions of regional security coordinators established in accordance with the Regulation...[the Commission Regulation establishing a guideline on Electricity Transmission System Operation] pursuant to the criteria set out in this chapter.

If a region is not covered by an existing or a planned regional security coordinator, the transmission system operators of that region shall establish a regional coordination centre.

All transmission system operators shall adhere to a single regional coordination centre.

All transmission system operators of a system operation region shall submit to the regulatory authorities of the system operation region for a review a proposal
for the establishment of regional coordination centres in accordance with the criteria set out in this chapter.

The regulatory authorities of the system operation region shall review and approve the proposal in compliance with the procedures established pursuant to Article 8 of Regulation (EU) ... [recast of Regulation (EC) No 713/2009 as proposed by COM(2016)0863]

The proposals referred to the forth subparagraph shall include the following information:

(a) Member State where the regional coordination centre are to be located;

(b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;

(c) an implementation plan for the entry into operation of the regional coordination centres;

(d) the statutes and rules of procedure of regional coordination centres;

(e) a description of cooperative processes in accordance with Article 35;

(f) a description of the arrangements concerning the liability of regional coordination centres in accordance with Article 44.

Amendment 127

Proposal for a regulation
Article 32 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. Regional coordination centres shall enter into operation by [OP: twelve months after entry into force of this Regulation].
Amendment 128

Proposal for a regulation
Article 32 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. In performing its functions under Union law, the regional coordination centres shall act independently from individual national interests and from the interests of transmission system operators.

Amendment 129

Proposal for a regulation
Article 32 – paragraph 3

Text proposed by the Commission

Amendment

3. Regional operational centres shall complement the role of transmission system operators by performing functions of regional relevance. They shall establish operational arrangements in order to ensure the efficient, secure and reliable operation of the interconnected transmission system.

3. Regional coordination centres shall complement the role of transmission system operators by performing functions of regional relevance. The transmission system operators shall be responsible for managing electricity flows and ensuring a secure, reliable and efficient electricity system in accordance with Article 40 of the Directive (EU) [recast of Directive 2009/72/EC as proposed by COM(2016)0864/2].

Amendment 130

Proposal for a regulation
Article 33 – title

Text proposed by the Commission

Amendment

Geographical scope of regional operational centres

Geographical scope of regional coordination centres

Amendment 131

Proposal for a regulation
Article 33 – paragraph 1
1. By [OP: six months after entry into force of this Regulation] the ENTSO for Electricity shall submit to the Agency a proposal defining system operation regions covered by regional operational centres, taking into account existing regional security coordinators, on the basis of the following criteria:

**Amendment 132**

**Proposal for a regulation**

**Article 34 – title**

**Text proposed by the Commission**

Tasks of regional operational centres

**Amendment**

Tasks of regional coordination centres

**Amendment 133**

**Proposal for a regulation**

**Article 34 – paragraph 1**

**Text proposed by the Commission**

1. Each regional operational centre shall perform all the following functions in the system operation region where it is established and regional operational centres shall perform at least the following functions, set out in more detail in Annex I:

(a) coordinated capacity calculation;

(b) coordinated security analysis;

(c) creation of common system

**Amendment**

1. Each regional coordination centre shall perform all the following functions in the system operation region where it is established and regional coordination centres shall perform at least the following functions, set out in more detail in Annex I:

(a) coordinated capacity calculation *in accordance with the methodologies developed pursuant to Articles 21, 26, 29 and 30 of Regulation (EU) 2015/1222*;

(b) coordinated security analysis *in accordance with the methodologies developed pursuant to Articles 75 and 76 of Commission Regulation (EU) 2017/1485*;

(c) creation of common system models *in accordance with the methodologies and procedures developed pursuant to Articles 67, 70 and 79 of Commission Regulation*
(d) consistency assessment of transmission system operators' defense plans and restoration plans;

(e) coordination and optimization of regional restoration;

(f) post-operation and post-disturbances analysis and reporting;

(g) regional sizing of reserve capacity;

(h) facilitate the regional procurement of balancing capacity;

(i) regional week ahead to intraday system adequacy forecasts and preparation of risk reducing actions;

(j) outage planning coordination;

(k) optimisation of compensation mechanisms between transmission system operators;

(l) training and certification;

(m) identification of regional crisis scenarios according to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016)0862] if this task is delegated by ENTSO for Electricity;

(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities according to Art 12(3) of [Regulation on risk preparedness as proposed by COM(2016)0862];

(o) tasks related to the identification of...
regional crisis scenarios if and to the extent they are delegated to the regional operational centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016)0862];

(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional operational centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016)0862];

(q) calculate the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms pursuant to Article 21 (6).

(q a) tasks related to support transmission system operators in the identification of needs for new capacity, for upgrade of existing capacity or their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) 347/2013 and included in the ten-year network development plan referred to in Article 51 of the Directive (EU) ... [recast of Directive 2009/72/EC as proposed by COM(2016)0864/2].


Amendment 134
Proposal for a regulation Article 34 – paragraph 2

<table>
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<tr>
<th>Text proposed by the Commission</th>
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<td>2. The Commission may add other</td>
<td>2. The Commission may add other</td>
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functions to the regional operational centres, not involving decision making power, pursuant to Chapter VII of this Regulation.

Amendment 135

Proposal for a regulation
Article 34 – paragraph 3

*Text proposed by the Commission*

3. Transmission system operators shall provide their regional operational centre with the information necessary to carry out its functions.

*Amendment*

3. Transmission system operators shall provide their regional coordination centre with the information necessary to carry out its functions.

Amendment 136

Proposal for a regulation
Article 34 – paragraph 4

*Text proposed by the Commission*

4. Regional operational centres shall provide transmission system operators of the system operation region with all the information necessary to implement the decisions and recommendations proposed by the regional operational centres.

*Amendment*

4. Regional coordination centres shall provide transmission system operators of the system operation region with all the information necessary to ensure system stability and security of supply.

*For the functions set out in this Article and not already covered by the relevant guidelines, the ENTSO for Electricity shall develop a proposal in accordance with the procedure set out in Article 22. Regional coordination centres shall execute those functions on the basis of a proposal that has been approved by the Agency.*

Amendment 137

Proposal for a regulation
Article 35
Article 35

Cooperation within regional operational centres

1. The day-to-day operation of regional operational centres shall be managed through cooperative decision-making. The cooperative decision-making process shall be based on:

(a) working arrangements to address planning and operational aspects related to the functions, in accordance with Article 36;

(b) a procedure for consulting the transmission system operators of the system operation region in the exercise of its operational duties and tasks, in accordance with Article 37;

(c) a procedure for the adoption of decisions and recommendations in accordance with Article 38;

(d) a procedure for the revision of decisions and recommendations adopted by regional operational centres in accordance with Article 39.

Amendment 138

Proposal for a regulation
Article 36 – paragraph 1

Text proposed by the Commission

1. Regional operational centres shall develop working arrangements to address planning and operational aspects related to the functions to be performed, taking into account, in particular, the specificities and requirements of those functions as

Amendment

1. Regional coordination centres shall develop working arrangements that are efficient, inclusive, transparent and facilitate consensus, to address planning and operational aspects related to the functions to be performed, taking into
specified in Annex I.

Amendment 139

Proposal for a regulation
Article 36 – paragraph 2

Text proposed by the Commission

2. Regional operational centres shall ensure that the working arrangements contain rules for the notification of parties concerned.

Amendment

2. Regional coordination centres shall ensure that the working arrangements contain rules for the notification of parties concerned.

Amendment 140

Proposal for a regulation
Article 37 – paragraph 1

Text proposed by the Commission

Regional operational centres shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.

Amendment

Regional coordination centres shall develop a procedure to organise, in the exercise of their daily duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.

Amendment 141

Proposal for a regulation
Article 37 a (new)

Text proposed by the Commission

Amendment

Article 37a

Transparency

1. Regional coordination centres shall organise a process for stakeholder
involvement and organise regular meetings with stakeholders to discuss matters relating to the efficient, secure and reliable operation of the interconnected system as well as to identify shortcomings and propose improvements;

2. ENTSO for Electricity and regional operational centres shall operate in full transparency towards stakeholders and the general public. All relevant documentation shall be published on the website of the respective regional coordination centre. This paragraph shall apply to the proposals, justifications and decisions adopted pursuant to Articles 32 and 33, Article 35(a) and Article 38 of this Regulation.

Amendment 142

Proposal for a regulation
Article 38 – title

Text proposed by the Commission

Adoption of decisions and recommendations

Amendment

Adoption and revisions of decisions and recommendations

Amendment 143

Proposal for a regulation
Article 38 – paragraph 1

Text proposed by the Commission

1. Regional operational centres shall develop a procedure for the adoption of decisions and recommendations.

Amendment

1. The transmission system operators of each regional coordination centre shall develop procedures for the adoption and revision of decisions and recommendations that ensures geographically balanced representation and equitable treatment of members of the regional coordination centre.
Amendment 144
Proposal for a regulation
Article 38 – paragraph 2

Text proposed by the Commission

2. Regional operational centres shall adopt binding decisions addressed to the transmission system operators in respect of the functions referred to in points (a), (b), (g) and (q) of Article 34(1). Transmission system operators shall implement the binding decisions issued by the regional operational centres except in cases when the safety of the system will be negatively affected.

Amendment

2. Regional coordination centres shall adopt binding decisions addressed to the transmission system operators in respect of the functions referred to in (a) and (b) of Article 34(1). Transmission system operators shall implement the binding decisions issued by the regional coordination centres except in cases where the implementation of the decision would result in a violation of operational security limits defined by each transmission system operator pursuant to Article 25 of Commission Regulation (EU) 2017/1485.

Amendment 145
Proposal for a regulation
Article 38 – paragraph 3

Text proposed by the Commission

3. Regional operational centres shall adopt recommendations addressed to the transmission system operators for the functions referred to in points (c) to (f) and (h) to (p) of Article 34(1).

Amendment

3. Regional coordination centres shall adopt recommendations addressed to the transmission system operators for the functions listed in Article 34(1) which are not referred to in paragraph 2 of this Article.

Amendment 146
Proposal for a regulation
Article 38 – paragraph 3 a (new)

Text proposed by the Commission

3 a. Where a transmission system operator decides to deviate from the decision or recommendation issued by the regional coordination centre, it shall submit a detailed explanation to the
Amendment 147
Proposal for a regulation
Article 38 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3 b. The revision shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the decision or recommendation, regional operational centres shall confirm or modify the measure.

Amendment 148
Proposal for a regulation
Article 38 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3 c. Where the measure subject to revision is a binding decision in accordance with Article 38(2) of this Regulation, the request for revision shall not suspend the decision except in cases where the implementation of the decision would result in a violation of operational security limits defined by each transmission system operator pursuant to Article 25 of the System Operation guidelines.

Amendment 149
Proposal for a regulation
Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. The regulatory authorities of a
system operation region may jointly decide to grant binding decision-making powers to the regional operational centre for one or more of the functions provided for in points (c) to (f) and (h) to (l) of Article 34(1). system operation region may jointly decide to grant binding decision-making powers to the regional coordination centre for one or more of the functions listed in Article 34(1) and which are not referred to in paragraph 2 of this Article.

Amendment 150

Proposal for a regulation
Article 39

Text proposed by the Commission

Revision of decisions and recommendations

1. Regional operational centres shall develop a procedure for the revision of decisions and recommendations.
2. The procedure shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the decision or recommendation, regional operational centres shall confirm or modify the measure.
3. Where the measure subject to revision is a binding decision in accordance with Article 38(2), the request for revision shall not suspend the decision except in cases when the safety of the system will be negatively affected.
4. Where the measure subject to revision is a recommendation in accordance with Article 38(3) and following its revision a transmission system operator decides to deviate from the recommendation, the transmission system operator shall submit a detailed justification to the regional operational centre and to the other transmission system operators of the system operation region.
Amendment 151
Proposal for a regulation
Article 40 – title

Text proposed by the Commission

Amendment

Management board of regional operational centres

Management board of regional coordination centres

Amendment 152
Proposal for a regulation
Article 40 – paragraph 1

Text proposed by the Commission

Amendment

1. In order to adopt measures related to their governance and to monitor their performance, the regional operational centres shall establish a management board.

1. In order to adopt measures related to their governance and to monitor their performance, the regional coordination centres shall establish a management board.

Amendment 153
Proposal for a regulation
Article 40 – paragraph 2

Text proposed by the Commission

Amendment

2. The management board shall be composed of members representing the transmission system operators and of observers representing the regulatory authorities of the system operation region. The representatives of the regulatory authorities shall have no voting rights.

2. The management board shall be composed of members representing all the transmission system operators of the system operation region. The composition of the management board shall be geographically balanced.

Amendment 154
Proposal for a regulation
Article 40 – paragraph 3

Text proposed by the Commission

Amendment

3. The management board shall be

3. The management board shall be
responsible for:

(a) drafting and endorsing the statutes and rules of procedure of the regional operational centre;
(b) deciding upon and implementing the organisational structure;
(c) preparing and endorsing the annual budget;
(d) developing and endorsing the cooperative decision-making processes in accordance with Article 35.

**Amendment 155**

**Proposal for a regulation**

**Article 40 – paragraph 4**

*Text proposed by the Commission*

4. The competences of the management board shall exclude those that are related to the day-to-day activities of regional operational centres and the performance of its functions.

**Amendment**

4. The competences of the management board shall not include decisions related to the execution of the functions of regional coordination centres.

**Amendment 156**

**Proposal for a regulation**

**Article 41 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Regional operational centres shall set up and manage their organisation according to a structure that supports the safety of their functions. Their organisational structure shall specify:

**Amendment**

1. The transmission system operators of a system operation region shall set up the organisational structure of regional coordination centres. Their organisational structure shall specify:

**Amendment 157**

**Proposal for a regulation**

**Article 41 – paragraph 1 – point a**
(a) the authority, duties and responsibilities of the management personnel;

Amendment

Proposal for a regulation
Article 41 – paragraph 2

Text proposed by the Commission
2. Regional operational centres may set up regional desks to address local specificities or back-up operational centres for the efficient and reliable exercise of their functions.

Amendment
2. Regional coordination centres may set up regional desks to address local specificities or back-up coordination centres for the efficient and reliable exercise of their functions where proven to be strictly necessary.

Amendment 159

Proposal for a regulation
Article 42 – paragraph 1

Text proposed by the Commission
Regional operational centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions.

Amendment
Regional coordination centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions independently and impartially. The human, technical, physical and financial resources for regional coordination centres shall not go beyond what is strictly necessary for the fulfilment of its tasks while geographically balanced representation and equitable treatment of members of regional coordination centre shall be ensured.

Amendment 160

Proposal for a regulation
Article 43 – paragraph 1
1. Regional operational centres shall establish a process for the continuous monitoring of at least:
   (a) their operational performance;
   (b) the decisions and recommendations issued and the outcome achieved;
   (c) the effectiveness and efficiency of each of the functions for which they are responsible.

2. Regional operational centres shall submit to the Agency and to the regulatory authorities of the system operation region the data resulting from their continuous monitoring at least annually.

3. Regional operational centres shall establish their costs in a transparent manner and report them to the Agency and to the regulatory authorities of the system operation region.

Text proposed by the Commission

Amendment

1. Regional coordination centres shall establish a process for the continuous monitoring of at least:
   (a) their operational performance;
   (b) the decisions and recommendations issued in particular on those where the transmission system operators have deviated and the outcome achieved;
   (c) the effectiveness and efficiency of each of the functions for which they are responsible.

Amendment 161
Proposal for a regulation
Article 43 – paragraph 2

Amendment 162
Proposal for a regulation
Article 43 – paragraph 3
Amendment 163
Proposal for a regulation
Article 43 – paragraph 4

Text proposed by the Commission

4. Regional **operational** centres shall submit an annual report **concerning** their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02\(^{37}\).

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Amendment 164
Proposal for a regulation
Article 43 – paragraph 5

Text proposed by the Commission

5. Regional **operational** centres shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the system operation region, the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations.

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Amendment 165
Proposal for a regulation
Article 43 – paragraph 5 a (new)

Text proposed by the Commission

4. Regional **coordination** centres shall submit an annual report **containing relevant monitoring data pursuant to paragraph 1 of this Article and information on** their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02.

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Text proposed by the Commission

Amendment

5 a. Without prejudice to the principle of confidentiality and the need to preserve security and commercially sensitive information regional coordination centres shall make public the reports referred to in paragraphs 4 and 5.

Amendment 166

Proposal for a regulation
Article 44 – paragraph 1

Text proposed by the Commission

Regional operational centres shall take the necessary steps to cover liability related to the execution of their tasks, in particular, where they adopt decisions binding on transmission system operators. The method employed to provide the cover shall take into account the legal status of the regional operational centre and the level of commercial insurance cover available.

Amendment

The proposal for the establishment of regional coordination centres in accordance with Article 32, shall include arrangements to cover liability related to the execution of the tasks of the regional coordination centre. The method employed to provide the cover shall take into account the legal status of the regional coordination centre and the level of commercial insurance cover available.

Amendment 167

Proposal for a regulation
Article 47 – paragraph 4

Text proposed by the Commission

4. Transmission system operators shall publish relevant data on aggregated forecast and actual demand, on availability and actual use of generation and load assets, on availability and use of the networks and interconnections, and on balancing power and reserve capacity. For availability and actual use of small generation and load units, aggregated estimate data may be used.

Amendment

4. Transmission system operators shall publish relevant data on aggregated forecast and actual demand, on availability and actual use of generation and load assets, on availability and use of the networks and interconnections, on balancing power and reserve capacity and on the availability of flexibility. For availability and actual use of small generation and load units, aggregated estimate data may be used.
**Justification**

This amendment is intrinsically linked to other amendments tabled to provisions which have been modified by the Commission

**Amendment 168**

Proposal for a regulation  
Article 49 – paragraph 1

**Text proposed by the Commission**  

Distribution system operators which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016)0864/2], shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity.

**Amendment**  

Distribution system operators shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall have the right to become registered members of the entity.

*Registered members may participate in the EU DSO entity directly or be represented by the national association designated by the Member State or by an Union level association.*

*In performing its functions under Union law, the EU DSO entity shall act independently from individual national interests or the national interests of distribution system operators.*

**Amendment 169**

Proposal for a regulation  
Article 50 – paragraph 1
Text proposed by the Commission

1. By [OP: twelve months after entry into force], the distribution system operators, with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft statutes, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders and the financing rules, of the EU DSO entity to be established.

Amendment

1. By [OP: twelve months after entry into force], the distribution system operators, with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft statutes, a list of participating distribution system operators and entities designated to represent distribution system operators, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders, the decision-making procedure and the financing rules, of the EU DSO entity to be established.

The draft rules of procedure of the EU DSO entity shall ensure balanced representation of all participating DSOs regardless of their size, including in the decision-making procedure.

Amendment 170

Proposal for a regulation
Article 50 – paragraph 2

Text proposed by the Commission

2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.

Amendment

2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users and consumer protection organisations, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure, taking into account in particular the rules related to the independence of the EU DSO, to the prevention of conflicts of interests, and to the necessity to ensure geographically balanced representation and equitable treatment of its Members.
Amendment 171
Proposal for a regulation
Article 50 – paragraph 3

**Text proposed by the Commission**

3. The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.

**Amendment**

3. The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders, the decision-making procedure and the financing rules, taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.

Amendment 172
Proposal for a regulation
Article 50 – paragraph 6

**Text proposed by the Commission**

6. The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.

**Amendment**

6. The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be considered as eligible cost and taken into account by the regulatory authority in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.

Amendment 173
Proposal for a regulation
Article 50 a (new)

**Text proposed by the Commission**


**Amendment**

**Article 50a**

Principal rules and procedures for the EU DSO entity for electricity
1. The statutes of the EU DSO entity adopted in accordance with Article 50 shall safeguard the following principles:

(a) participation in the works of the EU DSO entity is limited to registered members with the possibility of delegation within the membership;

(b) strategic decisions regarding the activities of the EU DSO entity as well as policy guidelines for the Board of Directors are adopted by the General Assembly;

(c) decisions of the General Assembly are adopted according with the following rules: - when 65% of the votes attributed to the members of the General Assembly are reached, - whereby each member disposes of a number of votes proportional to the respective number of customers and - the final outcome is supported by at least 55% of the members of the General Assembly.

(d) decisions of the General Assembly are blocked according with the following rules:-when 35% of the votes attributed to the members of the General Assembly are reached, - whereby each member disposes of a number of votes proportional to the respective number of customers; and - the final outcome is supported by at least 25% of the members of the General Assembly

(e) the Board of Directors is elected by the General Assembly for a mandate of maximum 4 years;

(f) the Board of Directors nominates the President and the three Vice-Presidents among its members;

(g) DSO-TSO cooperation pursuant to Articles 52 and 53 is led by the Board of Directors;

(h) decisions of the Board of Directors are adopted by simple majority of 15 votes;

(i) based on proposal by the Board of Directors, the Secretary General is appointed by the General Assembly
among its members for a four years mandate, renewable once;

(j) based on proposal by the Board of Directors, Expert Groups are appointed by the General Assembly whereby each group shall not exceed 30 members with the possibility of 1/3 coming from outside the membership. In addition, 'one country' expert group shall be established and consist of exactly one DSO representative from each Member State.

2. Procedures adopted by the EU DSO entity shall safeguard the fair and proportionate treatment of its members and reflect the diverse geographical and economic structure of its membership. In particular, the procedures shall foresee that:

(a) the Board of Directors is composed by the President of the Board and 27 members' representatives, of which: - [ ] 9 are representatives of members with more than 1 million grid users; - [ ] 9 are representatives of members with more than 100,000 and less than 1 million grid users; and - [ ] 9 are representatives of members with less than 100,000 grid users; (ab) representatives of existing DSO associations may participate as observers to the meetings of the Board of Directors;

(b) the Board of Directors may not consist of more than 3 representatives of members based in the same Member State or the same industrial group;

(c) each Vice-President of the Board has to be nominated among representatives of members in each category described in paragraph (a) above;

(e) representatives of members based in one Member State or the same industrial group may not constitute the majority of the Expert Group participants;

(f) the Board of Directors shall establish a Strategic Advisory group that
provides its opinion to the Board of Directors and the Expert Groups and consists of representatives of the European DSO associations and representatives of those Member States which are not represented in the Board of Directors.

Amendment 174

Proposal for a regulation
Article 51 – paragraph 1

Text proposed by the Commission

1. The tasks of the EU DSO entity shall be the following:
   (a) coordinated operation and planning of transmission and distribution networks;
   (b) integration of renewable energy resources, distributed generation and other resources embedded in the distribution network such as energy storage;
   (c) development of demand response;
   (d) digitalisation of distribution networks including deployment of smart grids and intelligent metering systems;
   (e) data management, cyber security and data protection;
   (f) participation in the elaboration of network codes pursuant to Article 55.

Amendment

1. The tasks of the EU DSO entity shall be the following:
   (a) promote coordinated operation and planning of transmission and distribution networks;
   (b) improve and maximise the integration of renewable energy resources, distributed generation and facilitate other resources embedded in the distribution network such as energy storage and sectoral integration;
   (c) facilitate the development of demand response;
   (d) improve the digitalisation of distribution networks including deployment of smart grids and smart metering systems;
   (e) guarantee non-discriminatory and neutral access to data regardless of the data management model, and promote standardization, cross-border data exchange, in particular with ENTSO for Electricity where relevant to facilitate data exchange, cyber security and data protection;
   (f) participate in the elaboration of network codes pursuant to Article 55.
Amendment 175

Proposal for a regulation
Article 51 – paragraph 2 – point a

Text proposed by the Commission

(a) cooperate with ENTSO for electricity on the monitoring of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;

Amendment

(a) cooperate effectively with ENTSO for electricity, the Agency and national regulators to facilitate the monitoring by the Agency and where relevant the national regulatory authorities of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;

Amendment 176

Proposal for a regulation
Article 52 – paragraph 1

Text proposed by the Commission

1. While preparing possible network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

Amendment

1. While participating in the elaboration of new network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.
Amendment 177
Proposal for a regulation
Article 53 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. The ENTSO for Electricity and the EU DSO entity shall develop a formal mechanism to facilitate cooperation between distribution system operators and transmission system operators.

Amendment 178
Proposal for a regulation
Article 53 – paragraph 1

Text proposed by the Commission

Amendment

1. Distribution system operators and transmission system operators shall cooperate with transmission system operators in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient, secure and reliable development and operation of their networks.

Amendment 179
Proposal for a regulation
Article 55 – paragraph 1 – point k

Text proposed by the Commission

Amendment

(k) rules regarding harmonised transmission and distribution tariff structures and connection charges including locational signals and inter-transmission system operator deleted
compensation rules;

Amendment 180
Proposal for a regulation
Article 55 – paragraph 1 – point p

Text proposed by the Commission

Amendment

(p) rules concerning regional operational centres. deleted

Amendment 181
Proposal for a regulation
Article 55 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall, after consulting the Agency, the ENTSO for Electricity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission may require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.

Amendment 182
Proposal for a regulation
Article 56 – paragraph 2

Text proposed by the Commission

Amendment

2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who
are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, transmission system operators, system users and consumers. The Agency may also propose amendments on its own initiative.

Amendment 183

Proposal for a regulation
Article 56 a (new)

Text proposed by the Commission

Amendment

Article 56 a

By 31 December 2022 the Commission shall assess the existing implementing acts containing network codes and guidelines in order to evaluate which of their elements could be usefully enshrined in legislative acts of the Union concerning the internal electricity market. The Commission shall submit a detailed report of its assessment to the European Parliament and to the Council. That report shall be accompanied, where appropriate, by legislative proposals following up on the Commission’s assessment.

Amendment 184

Proposal for a regulation
Article 57 – paragraph 7

Text proposed by the Commission

7. When adopting or amending guidelines, the Commission shall consult the Agency, the ENTSO for Electricity and other stakeholders where relevant.

Amendment

7. When adopting or amending guidelines, the Commission shall consult the Agency, the ENTSO for Electricity, the EU DSO entity and other stakeholders where relevant.

Amendment 185

Proposal for a regulation
Article 64 a (new)
Article 64 a

Review

By 1 June 2025, the Commission shall review and submit a report on the implementation of this Regulation, together with a legislative proposal if appropriate, to the European Parliament and to the Council.

Amendment 186

Proposal for a regulation

Annex I

1. Coordinated capacity calculation

1.1. Regional operational centres shall perform coordinated calculation of cross zonal capacities.

1.2. Coordinated capacity calculation shall be performed in due time for each market timeframe and as frequently as needed during the intraday timeframe.

1.3. Coordinated capacity calculation shall be performed based on a common system model in accordance with point 2 and on a coordinated capacity calculation methodology developed by the transmission system operators of the relevant system operation region.

1.4. Coordinated capacity calculation shall ensure efficient congestion management in accordance with the principles of congestion management defined in this Regulation.

2. Coordinated security analysis

2.1. Regional operational centres shall

Amendment

Annex I

FUNCTIONS OF REGIONAL COORDINATION CENTRES

1. Coordinated capacity calculation

1.1. Regional coordination centres shall perform coordinated calculation of cross zonal capacities.

1.2. Coordinated capacity calculation shall be performed in due time for each market timeframe and as frequently as needed during the intraday timeframe.

1.3. Coordinated capacity calculation shall be performed based on a common system model in accordance with point 2 and on a coordinated capacity calculation methodology developed by the transmission system operators of the relevant system operation region.

1.4. Coordinated capacity calculation shall ensure efficient congestion management in accordance with the principles of congestion management defined in this Regulation.

2. Coordinated security analysis

2.1. Regional coordination centres shall
perform coordinated security analysis aiming at ensuring secure system operation.

2.2. Security analysis shall be performed for all operational planning timeframes using the common system models.

2.3. Regional *operational* centres shall share the results of the coordinated security analysis with at least the transmission system operators of the system operation region.

2.4. When as a result of the coordinated security analysis a regional *operational* centre detects a possible constraint, it shall design remedial actions maximizing economic efficiency.

2.4 a. Coordinated security analysis shall be performed based on a common system model in accordance with point 2 and on a methodology to design coordinated remedial actions developed by the transmission system operators of the relevant system operation region.

3. Creation of common system models

3.1. Regional *operational* centres shall set up efficient processes for the creation of a common system model for each operational planning timeframe.

3.2. Transmission system operators shall appoint one regional *operational* centre to build the common system model for all regions.

3.3. Common system models shall include relevant data for efficient operational planning and capacity calculation in all operational planning timeframes.

3.4. Common system models shall be made available to all regional *operational* centres, transmission system operators, ENTSO for Electricity and the Agency, upon its request.

4. Consistency assessment of transmission system operators' defense plans and restoration plans

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4.1. All transmission system operators shall agree on a threshold above which the impact of actions of one or more transmission system operators in the emergency, blackout or restoration states is considered significant for other transmission system operators synchronously or non-synchronously interconnected.

4.2. Using the threshold defined pursuant to point 4.1, each regional operational centre shall provide support to the transmission system operators of the system operation region regarding the assessment of the consistency of its transmission system operators’ system defence plans and the restoration plans.

4.3. In providing support to the transmission system operators, the regional operational centre shall:
(a) identify potential incompatibilities;
(b) propose mitigation actions.

4.4. Transmission system operators shall take into account the proposed mitigation actions.

5. Coordination and optimization of regional restoration

5.1. Regional operational centres shall be equipped with the close to real time supervisory control and data acquisition systems with the observability defined by applying the threshold defined in accordance with point 5.2. Each relevant regional operational centre shall provide assistance to the appointed frequency leaders and the resynchronisation leaders aiming at improving the efficiency and effectiveness of system restoration. Transmission system operators shall be entitled to request assistance from regional operational centres if their system is in a blackout or restoration state.

6. Post-operation and post-disturbances analysis and reporting

5.2. Each relevant regional coordination centre shall provide assistance to the appointed frequency leaders and the resynchronisation leaders aiming at improving the efficiency and effectiveness of system restoration. Transmission system operators shall be entitled to request assistance from regional operational centres if their system is in a blackout or restoration state.

6. Post-operation and post-disturbances analysis and reporting
6.1. Regional operational centres shall investigate and prepare a report on any incident above the threshold defined in accordance with point 4.1. The regulatory authorities of the system operation region and the Agency may be involved in the investigation upon their request. The report shall contain recommendations aiming at preventing similar incidents in future.

6.2. The report shall be made available to all transmission system operators, regulatory authorities, the Commission and the Agency. The Agency may issue recommendations aiming at preventing similar incidents in future.

7. Regional sizing of reserve capacity

7.1. Regional operational centres shall determine the reserve capacity requirements for the system operation region. The determination of reserve capacity requirements shall:

(a) pursue the general objective to maintain operational security in the most cost effective manner;

(b) be performed at the day-ahead and/or intraday timeframe;

(c) determine the overall amount of required reserve capacity for the system operation region;

(d) define minimum reserve capacity requirements for each type of reserve capacity;

(e) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement;

(f) set out the necessary requirements for the geographical distribution of required reserve capacity, if any.

8. Facilitation of the regional procurement of balancing capacity

8.1. Regional operational centres shall support the transmission system operators of the system operation region in
determining the amount of balancing capacity that needs to be procured. The determination of the amount of balancing capacity shall:

(a) be performed at the day-ahead and/or intraday timeframe;

(b) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement;

(c) take into account the volumes of required reserve capacity that are expected to be provided by balancing energy bids, which are not submitted based on a contract for balancing capacity.

8.2. Regional operational centres shall support the transmission system operators of the system operation region in procuring the required amount of balancing capacity determined in accordance with point 8.1. The procurement of balancing capacity shall:

(a) be performed at the day-ahead and/or intraday timeframe;

(b) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement.

9. Regional system adequacy forecasts and preparation of risk reducing actions

9.1. Regional operational centres shall perform week ahead to intraday regional adequacy assessments.

9.2. Regional operational centres shall base the adequacy assessments on the information provided by the transmission system operators of system operation region with the aim of detecting situations where a lack of adequacy is expected in any of the control areas or at regional level.

Regional coordination centres shall take
into account possible cross-zonal exchanges and operational security limits in all operational planning timeframes.

9.3. When performing a regional generation adequacy assessment, each regional operational centre shall coordinate with other regional operational centres to:

(a) verify the underlying assumptions and forecasts;

(b) detect possible cross-zonal lack of adequacy situations.

9.4. Each regional operational centre shall deliver the results of the regional generation adequacy assessments together with the actions it proposes to reduce risks of lack of adequacy to the transmission system operators of the system operation region and to other regional operational centres.

10. Regional outage coordination

10.1. Each regional operational centre shall perform outage coordination in order to monitor the availability status of the relevant assets and coordinate their availability plans to ensure the operational security of the transmission system, while maximizing the capacity of the interconnectors and/or the transmission systems affecting cross-zonal flows.

10.2. Each regional operational centre shall maintain a single list of relevant grid elements, power generating modules and demand facilities of the system operation region and make it available on the ENTSO for Electricity operational planning data environment.

10.3. Each regional operational centre shall carry out the following activities related to outage coordination in the system operation region:

(a) assess outage planning compatibility using all transmission system operators’ year-ahead availability plans;

(b) provide the transmission system
operators of the system operation region with a list of detected planning incompatibilities and the solutions it proposes to solve the incompatibilities.

11. Optimization of inter-transmission system operators compensation mechanisms

11.1. Regional *operational* centres shall support the transmission system operators of the system operation region in administering the financial flows related to inter-transmission system operators settlements involving more than two transmission system operators, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.

12. Training and certification

12.1. Regional *operational* centres shall prepare and execute training and certification programs focusing on regional system operation for the personnel working in the planning and control rooms of the transmission system operators of system operation region.

12.2. The training programs shall cover all the relevant components of system operation, including scenarios of regional crisis.

13. Identification of regional crisis situations and preparation of risk mitigation scenarios reviewing the risk preparedness plans as established in Member States

13.1. If ENTSO for Electricity delegates this function, regional *operational* centres shall identify regional crisis scenarios in accordance with the criteria set out in Article 6(1) of [Risk Preparedness Regulation as proposed by COM(2016)0862]

13.2. Regional *operational* centres shall prepare and carry out yearly crisis simulation in cooperation with competent authorities according to Article 12(3) of [Risk Preparedness Regulation as proposed by COM(2016)0862]
13a. Identification of needs for new capacity, for upgrade of existing capacity or their alternatives.

13a.1. Regional coordination centres shall support transmission system operators in the identification of needs for new capacity, for an upgrading of existing capacity or for their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) No 347/2013 and to be included in the ten-year network development plan referred to in Article 51 of [recast of Directive 2009/72/EC as proposed by COM(2016)0864/2]