



24.11.2017

OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Industry, Research and Energy

on a proposal for a directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast)
(COM(2016)0864 – C8-0495/2016 – 2016/0380(COD))

Rapporteur: Pavel Poc

SHORT JUSTIFICATION

Overall, the Rapporteur welcomes the proposal for the Directive put forward by the Commission.

Legislative proposal correctly:

1. puts consumers in the center of energy transition
2. strives to create level-playing field allowing for participation of renewables in the market
3. enhances regional cooperation

However, to ensure that the goals of the European energy policy and of the energy union are fully achieved the proposal for the Directive needs to be amended in certain areas.

- Transition to a clean economy must be done in a way, which poses a bearable burden to energy consumers.

- More impact shall be given to market integration and related market functioning, for which equal level-playing field for all participants is a condition sine qua non.

- New legal framework on both European and national levels shall create fair conditions for participation of new entities such as aggregators or local energy communities on the market and at the same time shall not be discriminatory to other market participants.

Closer integration of balancing market, with the aim of allowing renewables and demand side's efficient participation across borders, is crucial. However, there is also a need to ensure security of supply at all times. To this aim, rights in this area must strictly correspond to responsibilities, in order to avoid any impact on consumers. Member States and in most cases their national TSOs are responsible and accountable for the security of electricity supplies.

Clear rules for new players on the market, such as aggregators or local energy communities, are needed. Rapporteur welcomes that Commission addressed this issue in the legislation, however, the Rapporteur does not believe that the rules for aggregators were set correctly. Accompanying Impact assessment states that if there are no compensation mechanisms between aggregators and balancing responsible parties foreseen, there is a risk of aggregators being free riders not participating at system costs and activating demand response in an inefficient way.

The Rapporteur would like to underline the need to duly ensure protection of vulnerable and energy poor consumers. Commission correctly puts emphasis on social policy and on phase-out of price regulation, which eventually proved to be discriminatory also towards vulnerable and energy poor consumers. Certain details, such as the clear definition of situation of extreme urgency, in which the price regulation may be exceptionally applied, needs to be specified, to avoid any doubts in implementation of these provisions.

The Rules on local energy communities shall also be designed in a way which ensures that

consumers, which opt not to take part in the local energy community, are not disadvantaged, and that local energy communities will not increase the costs of the electricity system as such, which could have a detrimental effect on energy poor and vulnerable consumers.

Better linking wholesale and retail market is crucial for increasing system flexibility and integration of renewables. Provisions bringing the possibility for each customer to ask for a dynamic pricing contract from his electricity service provider are welcomed.

In order to facilitate demand response, it is crucial to provide customers with all information necessary for their participation in the market and for a wise and informed choice on their electricity service provider. There is a need for plain and simple electricity bills, as well as to search for other innovative ways of providing additional information related to billing.

Cost-efficient deployment of smart elements can simplify the integration of renewables and participation of consumers in the energy market. In this connection it is important to highlight that the most cost-efficient way when deploying smart-meters, is the one which correlates with the exchange of existing meters at the end of their life cycle. The Rapporteur therefore stresses the need to clarify the treatment and compliance of those smart meters having been rolled-out before the Directive comes into force in a way which does not negatively impact end prices for consumers.

The Rapporteur welcomes the emphasis the Commission puts on the distribution system operators which are crucial for enhancing the system flexibility and readiness to deploy renewable energy sources at local level.

Any use of flexibility in distribution networks, including energy storage, must be done in the most cost-efficient manner, in order to allow for most benefits for end consumers. The Rapporteur therefore suggests considering amendments of rules on ownership of storage facilities by distribution system operators.

Integration of electro-mobility into the electricity network will also allow for active participation of end consumers and thus increase the overall flexibility of the electricity system. Nevertheless, there is a need to distinguish between public operation and private use when considering ownership of electro-mobility infrastructure by DSOs.

Cooperation of DSOs across Europe is also crucial. In this connection, the conditions for participation of distribution system operators in the EU DSO entity shall be further specified, ensuring their proportional representation, and entity's funding.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a directive

Recital 3

Text proposed by the Commission

(3) Directive 2003/54/EC of the European Parliament and of the Council and Directive 2009/72/EC of the European Parliament and of the Council have made a significant contribution towards the creation of such an internal market in electricity. However, Europe's energy system is in the middle of a profound change. The common goal to decarbonise the energy system creates new opportunities and challenges for market participants. At the same time, technological developments allow for new forms of consumer participation and cross-border cooperation. There is a need to adapt the Union market rules to a new market reality.

Amendment

(3) Directive 2003/54/EC of the European Parliament and of the Council and Directive 2009/72/EC of the European Parliament and of the Council have made a significant contribution towards the creation of such an internal market in electricity. However, Europe's energy system is in the middle of a profound change. The common goal to **increase the share of renewable energy in the electricity sector to at least 45 % by 2030 and to fully** decarbonise the energy system **by 2050** creates new opportunities and challenges for market participants. At the same time, technological developments allow for new forms of consumer participation and cross-border cooperation. There is a need to adapt the Union market rules to a new market reality.

Amendment 2

Proposal for a directive

Recital 6

Text proposed by the Commission

(6) The Communication from the Commission of 15 July 2015 'Launching the public consultation process on a new energy market design'³¹ highlighted that the move away from generation in large central power plants towards de-centralized production from renewable energy sources and decarbonized markets requires an

Amendment

(6) The Communication from the Commission of 15 July 2015 'Launching the public consultation process on a new energy market design'³¹ highlighted that the move away from generation in large central power plants towards de-centralized production from renewable energy sources and decarbonized markets requires an

adaptation of the current rules of electricity trading and changes to the existing market roles. It underlined needs to organise electricity markets in a more flexible manner and to fully integrate all market players – including renewable energy producers, new energy service providers, energy storage and flexible demand.

adaptation of the current rules of electricity trading and changes to the existing market roles. It underlined needs to organise electricity markets in a more flexible manner and to fully integrate all market players – including renewable energy producers, new energy service providers, energy storage and flexible demand. ***It is equally important for the Union to invest urgently in interconnection at European level for the transfer of energy through high-voltage, electric power transmission systems.***

³¹ COM (2015) 340 final of 15.7.2015.

³¹ COM (2015) 340 final of 15.7.2015.

Amendment 3

Proposal for a directive Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) With a view to completing the internal market in electricity, Member States should foster the integration of their national markets and the cooperation of system operators at Union and regional level, also incorporating isolated systems forming electricity islands that persist in the Union.

Justification

This recital shall be preserved in the Directive to highlight that Member States shall cooperate to achieve one of the main goals of the EU energy policy, which is the internal market creation.

Amendment 4

Proposal for a directive Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The Union will most effectively meet its renewable targets through the creation of a market framework that rewards flexibility and innovations. A well-functioning electricity market design is the key enabler for the uptake of renewables.

Justification

A functioning Internal Energy Market should contribute to the uptake of renewables and enable the EU to achieve its renewables targets, as well as its international obligations following the Paris climate accords.

Amendment 5

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) In order to secure competition and the supply of electricity at the most competitive price, Member States and national regulatory authorities should facilitate cross-border access for new suppliers of electricity from different energy sources as well as for new providers of power generation, storage and demand response.

Amendment

(11) In order to secure competition and the supply of electricity at the most competitive price, Member States and national regulatory authorities should facilitate cross-border access for new suppliers of electricity from different energy sources as well as for new providers of power generation, storage and demand response. ***However, Member States should cooperate in scheduling electricity flows and should take necessary action to prevent unscheduled loop-flows of electricity.***

Justification

The amendment is linked to two amendments to Article 3.

Amendment 6

Proposal for a directive

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Interconnections between Member

States should be promoted as they facilitate the integration of electricity from renewable energy sources, smooth out variability, reduce balancing costs and encourage competition.

Amendment 7

Proposal for a directive Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) The European Council of 23 and 24 October 2014 decided that the Commission, supported by the Member States, will take urgent measures in order to ensure the achievement of a minimum target of 10 % of existing electricity interconnections, as a matter of urgency, and no later than 2020, at least with regard to Member States which have not yet attained a minimum level of integration in the internal energy market, and to Member States which constitute their main point of access to the internal energy market.

Amendment 8

Proposal for a directive Recital 15

Text proposed by the Commission

Amendment

(15) Member States should maintain a wide discretion to impose public service obligations on electricity undertakings in pursuing objectives of general economic interest. Member States should ensure that household customers and, where Member States deem it appropriate, small enterprises, enjoy the right to be supplied with electricity of a specified quality at clearly comparable, transparent and competitive prices. Nevertheless, public service obligations in the form of supply

(15) Member States should maintain a wide discretion to impose public service obligations on electricity undertakings in pursuing objectives of general economic interest. Member States should ensure that household customers and, where Member States deem it appropriate, small enterprises, enjoy the right to be supplied with electricity of a specified quality at clearly comparable, transparent and competitive prices. Nevertheless, public service obligations in the form of supply

price regulation constitute a fundamentally distortive measure that often leads to the accumulation of tariff deficits, limitation of consumer choice, poorer incentives for energy saving and energy efficiency investments, lower standards of service, lower levels of consumer engagement and satisfaction, restriction of competition as well as fewer innovative products and services on the market. Consequently, Member States should apply other policy tools, and in particular targeted social policy measures, to safeguard the affordability of electricity supply to their citizens. Interventions in price setting should only be applied in limited exceptional circumstances. A fully liberalised retail electricity market would stimulate price and non-price competition among existing suppliers and incentivise new market entries therefore improving consumers' choice and satisfaction.

price regulation *may* constitute a fundamentally distortive measure ***if the price does not reflect the value of electricity and the costs of the supplier and*** that often leads to the accumulation of tariff deficits, limitation of consumer choice, poorer incentives for energy saving and energy efficiency investments, lower standards of service, lower levels of consumer engagement and satisfaction, restriction of competition as well as fewer innovative products and services on the market. Consequently, Member States should ***ensure that their price regulation is not detrimental to competition or*** apply other policy tools, and in particular targeted social policy measures, to safeguard the affordability of electricity supply to their citizens. Interventions in price setting should only be applied in limited exceptional circumstances. A fully liberalised ***well-functioning*** retail electricity market would stimulate price and non-price competition among existing suppliers and incentivise new market entries therefore improving consumers' choice and satisfaction. ***It should also ensure that all direct and indirect subsidies for electricity from fossil fuels are phased out by 2023.***

Amendment 9

Proposal for a directive Recital 23

Text proposed by the Commission

(23) Independent comparison tools including websites are an effective means for customers to assess the merits of different energy offers available on the market. Search costs are lower as they no longer need to collect information from individual suppliers and service providers. Such tools can provide the right balance between the need for information to be clear and concise and the need for it to be

Amendment

(23) Independent comparison tools including websites are an effective means for customers to assess the merits of different energy offers available on the market. Search costs are lower as they no longer need to collect information from individual suppliers and service providers. Such tools can provide the right balance between the need for information to be clear and concise and the need for it to be

complete and comprehensive. They should aim at including the broadest possible range of available offers, and at covering the market as completely as is feasible so as to give the customer a representative overview.. It is crucial that the information given on such tools be trustworthy, impartial and transparent.

complete and comprehensive. They should aim at including the broadest possible range of available offers, and at covering the market as completely as is feasible so as to give the customer a representative overview. ***For offers of renewable energy, easily accessible and understandable information on suppliers, sources of renewable energy and guarantees of origin should be provided. Those tools should also inform customers in a transparent manner if the energy comes from a non-renewable source.*** It is crucial that the information given on such tools be trustworthy, impartial and transparent.

Amendment 10

Proposal for a directive Recital 26

Text proposed by the Commission

(26) All customer groups (industrial, commercial and households) should have access to the energy markets to trade their flexibility and self-generated electricity. Customers should be allowed to make full use of the advantages of aggregation of production and supply over larger regions and benefit from cross-border competition. Aggregators are likely to play an important role as intermediaries between customer groups and the market. Transparent and fair rules should be established to also allow independent aggregators to fulfil this role. Products should be defined on all organised energy markets, including ancillary services and capacity markets so as to encourage the participation of demand response.

Amendment

(26) All customer groups (industrial, ***agricultural***, commercial and households) should have access to the energy markets to trade their flexibility and self-generated electricity. Customers should be allowed to make full use of the advantages of aggregation of production and supply over larger regions and benefit from cross-border competition. Aggregators are likely to play an important role as intermediaries between customer groups and the market. Transparent and fair rules should be established to also allow independent aggregators to fulfil this role. Products should be defined on all organised energy markets, including ancillary services and capacity markets so as to encourage the participation of demand response.

Amendment 11

Proposal for a directive Recital 27 a (new)

(27a) In order to meet the international climate commitments and the Union internal targets, a comprehensive change of direction towards low-carbon economy is needed. The renewal of the allocation criteria of different EU funds to foster the decarbonisation and energy-efficiency measures in electricity market and other sectors is therefore, needed. It should be guaranteed that Union funding will not be allocated to projects, which are not compliant with CO₂ reduction targets and policies. By means of delegated acts, the Commission should establish an advanced and transparent methodology for evaluation of the environmental performance of the applications in electricity market.

Amendment 12

Proposal for a directive Recital 29 a (new)

(29a) With the growing importance of active consumers, there is a need to strike a balance between rewarding those that choose to participate where their participation results in benefits to the energy system, and ensuring the ability of distribution system operators to maintain the grid in a cost-efficient and secure way in the long term. Tariffs and remuneration for self-consumption should incentivise smarter renewables integration technologies and motivate renewables self-consumers to make investment decisions that mutually benefit the customer and the grid. In order to allow for such a balance, it is necessary to ensure that renewable self-consumers and local renewable energy communities are entitled to receive a remuneration for the self-generated renewable electricity they

feed into the grid which reflects the market value of the electricity fed in, as well as the long-term value to the grid, the environment and society. This must include both long-term costs and the benefits of self-consumption with regard to costs to the grid, the environment and society which have been avoided, in particular when combined with other distributed energy resources such as energy efficiency, energy storage, demand response and community networks.

Amendment 13

Proposal for a directive Recital 34

Text proposed by the Commission

(34) When it comes to deciding at national level on the smart metering deployment, it should be possible to base this on an economic assessment. Should that assessment conclude that the introduction of such metering systems is economically reasonable and cost-effective only for consumers with a certain amount of electricity consumption, Member States should be able to take that into account when proceeding with implementation.

Amendment

(34) When it comes to deciding at national level on the smart metering deployment, it should be possible to base this on an economic assessment, **but also taking into account technical feasibility and proportionality of assumed savings compared to necessary costs**. Should that assessment conclude that the introduction of such metering systems is economically reasonable and cost-effective only for consumers with a certain amount of electricity consumption, Member States should be able to take that into account when proceeding with implementation.

Justification

The amendment is linked to two amendments to Article 19 paragraph 2 and two amendments to Article 3.

Amendment 14

Proposal for a directive Recital 40

Text proposed by the Commission

Amendment

(40) Energy services are fundamental to safeguard the well-being of the Union citizens. Adequate warmth, cooling, lighting and the energy to power appliances are essential services to guarantee a decent standard of living and citizens' health. Furthermore, access to these energy services empowers European citizens to fulfil their potential and it enhances social inclusion. Energy poor households are unable to afford these energy services due to a combination of low income, high energy expenditure and poor energy efficiency of their homes. Member States should collect the right information to monitor the number of households in energy poverty. Accurate measurement should assist Member States to identify those households **affected by** energy poverty in order to provide targeted support. The Commission should actively support the implementation of the provisions on energy poverty by facilitating the sharing of good practices between Member States.

(40) Energy services are fundamental to safeguard the well-being of the Union citizens. Adequate warmth, cooling, lighting and the energy to power appliances are essential services to guarantee a decent standard of living and citizens' health. Furthermore, access to these energy services empowers European citizens to fulfil their potential and it enhances social inclusion. Energy poor households are unable to afford these energy services due to a combination of low income, high energy expenditure and poor energy efficiency of their homes. Member States should **provide mechanisms to support the development of more efficient heating and cooling technologies to tackle energy poverty.** Member States should collect the right **and comparable** information to monitor the number of households in energy poverty. Accurate measurement **using unified standards** should assist Member States to identify those households **at risk of** energy poverty in order to provide targeted support. **Member States should also use the energy poverty measurement figures when reporting on the Sustainable Development Goals, namely Goal 7.1 on universal access to affordable, reliable and modern energy services.** The Commission should, **taking into account, inter alia, the European Energy Poverty Observer,** actively **and as a priority** support the implementation of the provisions on energy poverty by facilitating the sharing of good practices between Member States.

Amendment 15

Proposal for a directive Recital 40 a (new)

Text proposed by the Commission

Amendment

(40a) The Commission should take action, including awareness raising and

targeted projects for energy efficiency, to enable energy-poor customers to take advantage of market opportunities. The Member States should also, inter alia, provide sufficient resources for information for consumers at risk of energy poverty.

Amendment 16

Proposal for a directive Recital 41

Text proposed by the Commission

(41) Member States which are affected by energy poverty and which have not yet done so should **therefore** develop national action plans or other appropriate frameworks to tackle this problem, aiming at decreasing the number of **people suffering such situation**. Low income, high energy expenditure, and poor energy efficiency of homes are relevant factors in designing indicators for the measurement of energy poverty. In any event, Member States should ensure the necessary energy supply for vulnerable and energy poor customers. In doing so, an integrated approach, such as in the framework of energy and social policy, could be used and measures could include social policies or energy efficiency improvements for housing. **At the very least**, this Directive should **allow** national policies in favour of vulnerable and energy poor customers.

Amendment

(41) Member States which are affected by energy poverty and which have not yet done so should develop national action plans or other appropriate frameworks to tackle this problem, aiming at decreasing the number of **consumers at risk of energy poverty**. Low income, high energy expenditure, and poor energy efficiency of homes are relevant factors in designing **Union-wide** indicators for the measurement of energy poverty. In any event, Member States should ensure the necessary energy supply for vulnerable and energy poor customers. In doing so, an integrated approach, such as in the framework of energy and social policy, could be used and measures could include social policies or energy efficiency improvements for housing. **As a minimum**, this Directive should **support** national policies in favour of vulnerable and energy poor customers.

Amendment 17

Proposal for a directive Recital 62

Text proposed by the Commission

(62) Energy regulators should also be granted the power to contribute to ensuring

Amendment

(62) Energy regulators should also be granted the power to contribute to ensuring

high standards of universal and public service in compliance with market opening, to the protection of vulnerable **customers**, and to the full effectiveness of consumer protection measures. Those provisions should be without prejudice to both the Commission's powers concerning the application of competition rules including the examination of mergers with a Union dimension, and the rules on the internal market such as the free movement of capital. The independent body to which a party affected by the decision of a national regulator has a right to appeal could be a court or other tribunal empowered to conduct a judicial review.

high standards of universal and public service in compliance with market opening, to the protection of vulnerable **consumers at risk of energy poverty**, and to the full effectiveness of consumer protection measures. Those provisions should be without prejudice to both the Commission's powers concerning the application of competition rules including the examination of mergers with a Union dimension, and the rules on the internal market such as the free movement of capital. The independent body to which a party affected by the decision of a national regulator has a right to appeal could be a court or other tribunal empowered to conduct a judicial review.

Justification

The issue of energy poverty requires greater attention from all legislators as they have an important role to protect the most vulnerable communities, and prevent groups in society from falling into energy poverty. Vulnerable consumer actions should be aligned with or contributing to measures to address energy poverty. This amendment is in line with Article 5(2) proposed by the Commission and an amendment to it (am.128) by the same authors including the category of "vulnerable consumers at risk of energy poverty."

Amendment 18

Proposal for a directive

Recital 70 a (new)

Text proposed by the Commission

Amendment

(70a) Rapid and full implementation of this Directive should be encouraged, and will enable the Union to meet its climate and renewable targets in a timely manner.

Justification

Timely implementation of this Directive will contribute to a needed uptake of renewables and enables the EU to achieve its climate and renewable targets, as well as its treaty obligations following the Paris accords.

Amendment 19

Proposal for a directive Article 1 – paragraph 1

Text proposed by the Commission

This Directive establishes common rules for the generation, transmission, distribution, storage and supply of electricity, together with consumer protection provisions, with a view to creating truly integrated **competitive**, consumer-centered and flexible electricity markets in the Union. Using the advantages of an integrated market, the Directive aims at ensuring affordable energy prices for consumers, a high degree of security of supply and a smooth transition towards a decarbonised energy system. It lays down key rules relating to the organisation and functioning of the European electricity sector, in particular rules on consumer empowerment and protection, on open access to the integrated market, on third party access to transmission and distribution infrastructure, unbundling rules, and on independent national energy regulators.

Amendment

This Directive establishes common rules for the generation, transmission, distribution, storage and supply of electricity, together with consumer protection provisions, with a view to creating truly integrated, consumer-centered and flexible electricity markets in the Union. ***It sets a common minimum level of interconnections for all Member States.*** Using the advantages of an integrated market, the Directive aims at ensuring affordable energy prices for consumers, a high degree of security of supply and a smooth transition towards a decarbonised energy system. It lays down key rules relating to the organisation and functioning of the European electricity sector, in particular rules on consumer empowerment and protection, on open access to the integrated market, on third party access to transmission and distribution infrastructure, unbundling rules, and on independent national energy regulators.

Amendment 20

Proposal for a directive Article 2 – paragraph 1 – point 5

Text proposed by the Commission

5. 'non-household customer' means a natural or legal person purchasing electricity which is not for their own household use and includes producers industrial customers, small and medium sized enterprises, businesses and wholesale customers;

Amendment

5. 'non-household customer' means a natural or legal person purchasing electricity which is not for their own household use and includes producers, ***public, commercial and*** industrial customers, small and medium sized enterprises, businesses and wholesale customers;

Amendment 21

Proposal for a directive

Article 2 – paragraph 1 – point 6

Text proposed by the Commission

6. 'active customer' means a customer or a group of jointly acting customers who consume, store or sell electricity generated on their premises, including through aggregators, or participate in demand response or energy efficiency schemes provided that these activities do not constitute their primary commercial or professional activity;

Amendment

6. 'active customer' means a customer or a group of jointly acting customers, ***including in a multi-apartment block, in a commercial, industrial, residential or shared services site or in a closed distribution system, or a third party acting on their behalf***, who consume, store or sell electricity generated on their premises, including through aggregators, or participate in demand response or energy efficiency schemes provided that these activities do not constitute their primary commercial or professional activity;

Amendment 22

Proposal for a directive

Article 2 – paragraph 1 – point 7

Text proposed by the Commission

7. 'local energy community' means: an association, a cooperative, a partnership, a non-profit organisation or other legal entity which is ***effectively controlled*** by local shareholders or members, ***generally value*** rather than ***profit-driven***, involved in ***distributed generation and in performing activities of a distribution system operator, supplier or aggregator*** at local level, including across borders;

Amendment

7. 'local energy community' means: an association, a cooperative, a partnership, a non-profit organisation or other legal entity, which ***is based on open participation and control*** by local shareholders or members ***who are participating as final customers, whose predominant aim is to provide local community benefits*** rather than ***generate profits for its members, that carries out or is involved in at least one or more of the following*** activities of: ***distributed generation, storage, supply, energy efficiency service provider, aggregator, or distribution system operator***, at local level, including across borders;

Amendment 23

Proposal for a directive

Article 2 – paragraph 1 – point 11

Text proposed by the Commission

11. 'dynamic electricity price contract' means an electricity supply contract between a supplier and a final customer that reflects the price at the spot market, including at the day ahead market at intervals at least equal to the market settlement frequency;

Amendment

11. 'dynamic electricity price contract' means an electricity supply contract between a supplier and a final customer that reflects the price at the spot market, including at the day ahead market at intervals at least equal to the market settlement frequency, **as well as wholesale price volatility**;

Amendment 24

Proposal for a directive

Article 2 – paragraph 1 – point 20

Text proposed by the Commission

20. '**near-real time**' means, in the context of smart metering, the time, usually down to seconds, that elapses between data recording and their automated processing and transmission for use or information purposes;

Amendment

deleted

Amendment 25

Proposal for a directive

Article 2 – paragraph 1 – point 23

Text proposed by the Commission

23. 'distribution system operator' means a natural or legal person responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of

Amendment

23. 'distribution system operator' means a natural or legal person responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system **or integrated electricity storage** in a given area and, where applicable, its interconnections with other systems and for ensuring the long-term ability of the system to meet reasonable

electricity;

demands for the distribution of electricity;

Justification

This amendment is linked to AMs 95-103 on Article 36 (ownership of storage facilities by distribution system operators) and to amendment 67 on Article 16(2)(f) (which aims to ensure that local energy communities should also be allowed to conclude an agreement with distribution system operators for the storage of electricity).

Amendment 26

Proposal for a directive

Article 2 – paragraph 1 – point 25

Text proposed by the Commission

25. ‘energy from renewable sources’ means energy from renewable non-fossil sources, in particular wind, solar (solar thermal and solar photovoltaic), geothermal energy, ambient heat, hydropower and tide, ocean, wave energy, **and combustible renewables: biofuels, bioliquids, biogas, solid biofuels and combustible wastes of renewable origin;**

Amendment

25. ‘energy from renewable sources’ means energy from **variable** renewable non-fossil sources, in particular wind **and** solar (solar thermal and solar photovoltaic), **and** geothermal energy, ambient heat, hydropower and tide, **wave and other** ocean energy, **biomass waste, biomethane, landfill gas, sewage treatment plant gas and biogases;**

Justification

This amendment is linked to AMs 95-103 on Article 36 (ownership of storage facilities by distribution system operators) and to amendment 67 on Article 16(2)(f) (which aims to ensure that local energy communities should also be allowed to conclude an agreement with distribution system operators for the storage of electricity).

Amendment 27

Proposal for a directive

Article 2 – paragraph 1 – point 38

Text proposed by the Commission

38. ‘non-frequency ancillary service’ means a service used by a transmission or distribution system operator for steady state voltage control, fast reactive current injections, inertia and black start capability;

Amendment

38. ‘non-frequency ancillary service’ means a service used by a transmission or distribution system operator for steady state voltage control, fast reactive current injections, inertia **for local grid stability, short-circuit current** and black start capability;

Amendment 28

Proposal for a directive Article 2 – paragraph 1 – point 47 a (new)

Text proposed by the Commission

Amendment

47a. 'distributed energy resources' means energy resources which are provided to the electrical network, through either the meter in the customer's premise, or the distribution network, including but not limited to energy storage, energy efficiency, electrical vehicles, distributed generation of electricity from renewable energy sources, community networks and demand response;

Amendment 29

Proposal for a directive Article 3 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that their national legislation ***does not unduly hamper*** cross-border ***flows of*** electricity, consumer participation including through demand-side response, investments into flexible energy generation, energy storage, the deployment of electro-mobility or new interconnectors, and that electricity prices reflect actual demand and supply.

1. Member States shall ensure that their national legislation ***promotes*** cross-border ***transactions relating to*** electricity, consumer participation including through ***market-based*** demand-side response, investments into flexible energy generation, energy storage, the deployment of electro-mobility or new interconnectors, ***smart grid technology***, and that electricity prices reflect actual demand and supply. ***Member States shall ensure open and accessible consumer participation in the electricity market.***

Amendment 30

Proposal for a directive Article 3 – paragraph 2

Text proposed by the Commission

2. Members States shall ensure that no undue barriers exist for market entry and market exit of electricity generation **and** electricity supply undertakings.

Amendment

2. Members States shall ensure that no undue barriers exist for market entry and market exit of electricity generation, **storage**, electricity supply undertakings **by any producer and for demand response providers**.

Amendment 31

Proposal for a directive Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission and the Member States shall ensure that a level playing field for all market participants is created and shall prevent discrimination.

Amendment 32

Proposal for a directive Article 3 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. Each Member State shall ensure that its level of electricity interconnection is equivalent to at least 10 % of their installed production capacity by 2020, with a view to reaching a more ambitious level by 2030. In order to achieve these levels, Member States, regulatory authorities and transmission system operators shall cooperate with each other towards the creation of a fully interconnected internal market integrating isolated systems forming electricity islands.

Amendment 33

Proposal for a directive Article 4 – paragraph 1

Text proposed by the Commission

Member States shall ensure that all customers are free to purchase electricity from the supplier of their choice.

Amendment

Member States shall ensure that all customers are free to purchase electricity from the **producer or** supplier of their choice **and are free to contract simultaneously with several suppliers.**

Justification

Supplier is not defined, whereas including 'producer' would widen the scope to include a legal person.

Amendment 34

Proposal for a directive Article 5 – paragraph 1

Text proposed by the Commission

1. Electricity suppliers shall be free to **determine the price at which they supply electricity** to customers. Member States shall take appropriate actions to ensure effective competition between electricity suppliers.

Amendment

1. Electricity suppliers shall be free to **propose market-based** supply **prices** to customers. Member States shall take appropriate actions to ensure effective competition between electricity suppliers.

Amendment 35

Proposal for a directive Article 5 – paragraph 2

Text proposed by the Commission

2. Member States shall **ensure** the protection of energy poor or vulnerable customers in a targeted manner by other means than public interventions **in the** price-setting for the supply of electricity.

Amendment

2. Member States shall **pursue objectives of general economic interest, including** the protection of energy poor or vulnerable customers **at risk of energy poverty** in a targeted manner by other means than public interventions **based on non-replicable** price-setting for the supply of electricity.

Amendment 36

Proposal for a directive Article 5 – paragraph 3

Text proposed by the Commission

3. By way of derogation from paragraphs 1 and 2, Member States which apply public interventions in price setting for the supply of electricity for energy poor or vulnerable household customers *at the [OP: please insert the date of entry into force of this Directive]* may continue to apply such public interventions *until [OP: insert the date – five years from the entry into force of this Directive]. Such public interventions shall* pursue a general economic interest, be clearly defined, transparent, non-discriminatory, verifiable and guarantee equal access for Union electricity companies to customers. The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, be limited in time and proportionate as regards their beneficiaries.

Amendment

3. By way of derogation from paragraphs 1 and 2, Member States which apply public interventions in price setting for the supply of electricity for energy poor or vulnerable household customers may continue to apply such public interventions, *provided that they* pursue a general economic interest, be clearly defined, transparent, non-discriminatory, verifiable and guarantee equal access for Union electricity companies to customers. The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, be limited in time and proportionate as regards their beneficiaries.

Amendment 37

Proposal for a directive Article 7 – paragraph 1 – point a

Text proposed by the Commission

(a) all electricity producers and electricity supply undertakings established within their territory to supply their own premises, subsidiaries and customers through a direct line;

Amendment

(a) all electricity producers and electricity supply undertakings established within their territory to supply their own premises, subsidiaries and customers through a direct line *without being subject to disproportionate administrative procedures or costs related for instance to the need for a supply licence;*

Justification

This amendment is necessary to in practice enable amendments 21, 98 and 128, when contracting simultaneously with several suppliers. Moving to renewables, efforts of individuals or groups to power their operations and activities with electricity produced by an installation connected to their premises via a direct line should be facilitated. Removal of expensive supply licenses and enabling a customer to sign a second supply contract for the same metering point to supply residual electricity demand are such enablers. This is essential for achievement of active customers.

Amendment 38

Proposal for a directive Article 7 – paragraph 1 – point b

Text proposed by the Commission

(b) all customers within their territory to be supplied through a direct line by a producer and supply undertakings.

Amendment

(b) all customers within their territory ***individually or jointly***, to be supplied through a direct line by a producer and supply undertakings.

Justification

This amendment is necessary to in practice enable amendments 123 and 153, when contracting simultaneously with several suppliers, and is in line with amendment 176. Changes to Article 7 are also important to enable active customers. Moving to renewables, efforts of individuals or groups to power their operations and activities with electricity produced by an installation connected to their premises via a direct line should be facilitated, whereby individuals or corporations could over time decrease or fix energy costs by using electricity produced nearby, choosing renewable energy.

Amendment 39

Proposal for a directive Article 7 – paragraph 2

Text proposed by the Commission

2. Member States shall lay down the criteria for the grant of authorisations for the construction of direct lines in their territory. Those criteria shall be objective and non-discriminatory.

Amendment

2. Member States shall lay down the criteria for the grant of authorisations for the construction of direct lines in their territory. Those criteria shall be objective and non-discriminatory ***and shall promote the procurement of energy from variable renewable sources by corporate customers, in accordance with Article 15(9) of Directive (EU) .../... [Recast***

Renewable Energy Directive]

Justification

This amendment is linked to AM 1 on Recital 3 (which refers to the common goal to increase the share of renewable energy in the electricity sector to at least 45 % by 2030 and to fully decarbonise the energy system by 2050), to ensure consistent aims throughout. It is also linked to amendments on priority access to energy from variable renewable energy sources (AMs 55, 90 and 108). Efforts of individuals or groups to power their operations and activities with electricity produced by an installation connected to their premises via a direct line should be encouraged. The principle of the promotion of energy from variable renewable sources is also important for the overall achievement of the Union's energy policy.

Amendment 40

Proposal for a directive Article 7 – paragraph 3

Text proposed by the Commission

3. The possibility of supplying electricity through a direct line as referred to in paragraph 1 shall not affect the possibility of contracting electricity in accordance with Article 6.

Amendment

3. The possibility of supplying electricity through a direct line as referred to in paragraph 1 shall not affect the possibility of contracting electricity in accordance with Article 6 ***and shall not affect the right of the customer to sign a second supply contract for the residual electricity demand.***

Justification

This amendment is necessary to in practice enable amendments 123 and 153 when contracting simultaneously with several suppliers. It also facilitates amendments towards small scale local power sharing, while ensuring that a second supply contract can be agreed to for additional need (ie to make amendments 169, 172 etc. possible in practice). This is important for the encouragement of move to renewables, to provide incentives for increased renewable energy development and use, and for promoting the active customer principle.

Amendment 41

Proposal for a directive Article 8 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Member States ***may*** set guidelines for that specific authorisation procedure. National regulatory authorities or other competent

Amendment

Member States ***shall*** set guidelines for that specific authorisation procedure, ***which shall be publicly available.*** National

national authorities including planning authorities shall review those guidelines and may recommend amendments thereto.

regulatory authorities or other competent national authorities including planning authorities shall review those guidelines and may recommend amendments thereto.

Justification

For the purpose of clarity of this provision, it must be specified that guidelines shall be adopted by the Member States and made public to enable effective authorisation procedures, but also to put into practice one of the central aims of the Electricity Directive, namely to place the consumer at the centre of the energy market as mentioned in the introductory part of the proposal.

Amendment 42

Proposal for a directive

Article 10 – paragraph 2 – point a – subparagraph 1 – indent 1 a (new)

Text proposed by the Commission

Amendment

- ***the contribution of each energy source to the overall fuel mix of the supplier (at national level i.e. in the Member States where the supply contract has been concluded, as well as at Union level if the supplier is active in several Member States) over the preceding year in a comprehensive and clearly comparable manner;***

Justification

Amendments to Article 10 (a) aim to increase transparency of the sources of energy in the supplier's portfolio, including sources of electricity supplied to the customer according to the contract. This can generate competition for cleaner sources of electricity. (reference to overall fuel mix is in line with para 3 of Annex II)

Amendment 43

Proposal for a directive

Article 10 – paragraph 2 – point a – subparagraph 1 – indent 1 b (new)

Text proposed by the Commission

Amendment

- ***the average CO₂ intensity of the electricity mix of the supplier (at national level i.e. in the Member State where the supply contract has been concluded, as***

well as at Union level if the supplier is active in several Member States) over the preceding year;

Justification

This is a continuation of the same point as in amendment 149, and concerns the same point (it is just separated into three components in amendments 149, 150 and 151). Amendments to Article 10 (a) aim to increase transparency of the sources of energy in the supplier's portfolio, including sources of electricity supplied to the customer according to the contract. This can generate competition for cleaner sources of electricity.

Amendment 44

Proposal for a directive

Article 10 – paragraph 2 – point a – subparagraph 1 – indent 1 c (new)

Text proposed by the Commission

Amendment

- *the contribution of each energy source to the electricity purchased by the customer in accordance with the supply contract (product level disclosure);*

Justification

This is a continuation of the same point as in amendment 149, and concerns the same point (it is just separated into three components in amendments 149, 150 and 151. It also links with my amendments for ensuring priority access to variable renewable energy sources. Amendments to Article 10 (a) aim to increase transparency of the sources of energy in the supplier's portfolio, including sources of electricity supplied to the customer according to the contract. This can generate competition for cleaner sources of electricity. This also enables the active customer principle.

Amendment 45

Proposal for a directive

Article 10 – paragraph 2 – point a – subparagraph 2

Text proposed by the Commission

Amendment

Conditions shall be fair and well-known in advance. In any case, this information should be provided prior to the conclusion or confirmation of the contract. Where contracts are concluded through intermediaries, the information relating to the matters set out in this point shall also

Conditions shall be fair and well-known in advance. In any case, this information should be provided prior to the conclusion or confirmation of the contract. ***It shall also be easily available to the customer after the confirmation of the contract.*** Where contracts are concluded through

be provided prior to the conclusion of the contract;

intermediaries, the information relating to the matters set out in this point shall also be provided prior to the conclusion of the contract;

Justification

A lot of information about giving adequate notice on changing contractual modalities and on disconnection alternatives are detailed in this Article. However, it does not adequately ensure that when the client wants to see the status of the current contract, the client can have access to this through the supplier/aggregator, leaving a gap. (referring to amendments made e.g. by ENVI Rapporteur to Article 10.) Not being able to easily access the contract would not necessarily enable the customer to compare fuel mix provided over time, related to amendment 149.

Amendment 46

Proposal for a directive

Article 10 – paragraph 2 – point b

Text proposed by the Commission

(b) are given adequate notice of any intention to modify contractual conditions and are informed about their right to dissolve the contract when the notice is given. Suppliers shall notify their customers directly of any adjustment in the supply price as well as of the reasons and preconditions for the adjustment and its scope, **at an appropriate time** no later than **one normal billing period** before the adjustment comes into effect in a transparent and comprehensible manner. Member States shall ensure that customers are free to withdraw from contracts if they do not accept the new contractual conditions or adjustments in the supply price notified to them by their electricity **supplier**;

Amendment

(b) are given adequate notice of any intention to modify contractual conditions and are informed about their right to dissolve the contract when the notice is given. Suppliers **or aggregators** shall notify their customers directly of any adjustment in the supply **or service** price as well as of the reasons and preconditions for the adjustment and its scope, **as soon as they are aware of such an adjustment, and** no later than **six weeks** before the adjustment comes into effect in a transparent and comprehensible manner. Member States shall ensure that customers are free to withdraw from contracts if they do not accept the new contractual conditions or adjustments in the supply price notified to them by their electricity **supplier or aggregator**;

Justification

Directive aims to help facilitate the development of new product and service providers – such as aggregators. To this aim, Article 10 dealing with contractual rights shall mention not only traditional suppliers, but also new providers - aggregators. This will ensure for coherency in the whole directive, as on other places, “electricity service provider” is used as a synonym

for “supplier”. Concerning the information on the change in electricity price, the customer needs to be informed well in advance of any price change. However, it is problematic to link the change in price with the billing frequency – in some cases (e.g. yearly or half-yearly billing period), it may be impossible to inform the customer so early, and in some cases it even may be late (e.g. monthly billing period). Thereby amending the article in a way which corresponds with the right of customer to change service provider within 3 weeks is suggested, giving customers sufficient time to decide. This amendment is necessary for the internal coherence of the text.

Amendment 47

Proposal for a directive Article 10 – paragraph 2 – point d

Text proposed by the Commission

(d) are offered a wide choice of payment methods, which do not unduly discriminate between customers. Any difference in charges related to payment methods shall reflect the relevant costs incurred by the supplier.

Amendment

(d) are offered a wide choice of payment methods, which do not unduly discriminate between customers. Any difference in charges related to payment methods shall reflect the relevant costs incurred by the supplier **or aggregator**.

Amendment 48

Proposal for a directive Article 10 – paragraph 2 – point i

Text proposed by the Commission

(i) **are given** adequate information on alternatives to disconnection sufficiently in advance before the planned disconnection. These alternatives may refer to sources of support to avoid disconnection, alternative payment plans, debt management advice or disconnection moratorium **and should not constitute an extra cost to customers**;

Amendment

(i) **have access to** adequate information on alternatives to disconnection sufficiently in advance before the planned disconnection. These alternatives may refer to sources of support to avoid disconnection, alternative payment plans, debt management advice or disconnection moratorium, **such access being provided at no extra cost**;

Justification

If the alternatives to disconnection would present no cost for customers not able to pay their bills, they would need to be socialized amongst all system users. This would lead to increase in prices of electricity to all customers, including the vulnerable ones and the ones who requested an alternative in the first place.

Amendment 49

Proposal for a directive

Article 10 – paragraph 2 – point j a (new)

Text proposed by the Commission

Amendment

(ja) are entitled to sign one or more single-buyer or multiple-buyer power purchase agreements with on-site, nearby and off-site electricity generating installations without being subject to disproportionate and unfair costs and administrative procedures.

Justification

Many customers in Europe want to fix or possibly decrease electricity costs by purchasing electricity directly from generators, especially those using renewable energy sources. This also allows them to meet environmental commitments or requirements. Yet in most European countries the direct purchase of electricity is not regulated, not allowed or hampered by unfavourable rules. EU legislation should establish rights of customers to sign power purchase agreements that are not costly or complex, and to sign more than one PPA, together with other buyers. Empowers active customers.

Amendment 50

Proposal for a directive

Article 11 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that final customers are fully informed by the suppliers of the opportunities and risks of such dynamic electricity price contract.

2. Member States shall ensure that final customers are fully informed by the suppliers of the opportunities and risks of such dynamic electricity price contract, **including, where appropriate, the installation of a smart meter at a reasonable cost, and that final consumers can terminate the contract if it proves to be too expensive.**

Justification

For the sake of legislative certainty, there is a need to clarify that dynamic pricing contract is possible only for customers who have a smart meter installed.

Amendment 51

Proposal for a directive Article 11 – paragraph 3

Text proposed by the Commission

3. Member States, through their National Regulatory Authorities, shall monitor and report annually, for at least a ten-year period after such contracts become available, on the main developments of such contracts including market offers, the impact on consumers' bills and specifically the level of price volatility, and on consumers' sensitivity to the level of financial risk.

Amendment

3. Member States, through their National Regulatory Authorities, shall monitor and report annually, for at least a ten-year period after such contracts become available, on the main developments of such contracts including market offers, the impact on consumers' bills and specifically the level of price volatility **as well as the share of the energy component in the consumer bill**, and on consumers' sensitivity to the level of financial risk.

Amendment 52

Proposal for a directive Article 12 – paragraph 3

Text proposed by the Commission

3. **By way of derogation from paragraph 2, Member States may choose to permit suppliers to** charge contract termination fees to customers willingly terminating fixed term supply contracts before their maturity. Such fees may only be charged if customers receive a demonstrable advantage **from these contracts**. In addition, such fees shall not exceed the direct economic loss to the supplier of the customer terminating the contract, including the cost of any bundled investments or services already provided to the customer as part of the contract.

Amendment

3. **Member States may permit suppliers to** charge **reasonable** contract termination fees to customers willingly terminating fixed term supply contracts before their maturity, **unless termination is prompted by a clear failure to provide services**. Such fees may be charged only if customers receive a demonstrable advantage **at the time of signature of the contract**. In addition, such fees shall not exceed the direct economic loss to the supplier of the customer terminating the contract, including the cost of any bundled investments or services already provided to the customer as part of the contract, **as verified by the national regulatory authority**.

Amendment 53

Proposal for a directive Article 13 – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that a final customer wishing to terminate the contract with an aggregator, **while respecting contractual conditions**, is entitled to such termination within three weeks.

Amendment

2. Member States shall ensure that a final customer wishing to terminate the contract with an aggregator is entitled to such termination within three weeks.

Amendment 54

Proposal for a directive Article 13 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that final customers are entitled to receive all relevant demand response data or data on supplied and sold electricity at least once per **year**.

Amendment

4. Member States shall ensure that final customers are entitled to receive all relevant demand response data or data on supplied and sold electricity at least once per **month**.

Justification

Demand response and aggregation will impact how much electricity consumers purchase. In the case of the self-consumers, it will also have an impact on the electricity they self-generate. Customers therefore should have the right to receive this information as soon as possible to facilitate the demand response actions and encourage a more active participation in the market.

Amendment 55

Proposal for a directive Article 15 – paragraph 1 – point a

Text proposed by the Commission

(a) are entitled to generate, store, consume **and** sell self-generated electricity in all organised markets either individually or through aggregators without being subject to disproportionately burdensome

Amendment

(a) are entitled to generate, store, consume, sell **with priority access** self-generated electricity in all organised markets either individually or through aggregators, **as well as to participate in the**

procedures and charges that are not cost reflective;

ancillary services of the system and in the mechanisms of response to the demand, without being subject to discriminatory or disproportionately burdensome procedures and charges that are not cost reflective, and are entitled to receive a remuneration for self-generated electricity which reflects the market value of the electricity fed in;

Amendment 56

Proposal for a directive Article 15 – paragraph 1 – point a (new)

Text proposed by the Commission

Amendment

(aa) are not subject to double network costs and/or taxation, resulting from the storage and reuse of previously stored energy;

Amendment 57

Proposal for a directive Article 15 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) are subject to cost reflective, transparent and non-discriminatory network charges, *accounting separately for the electricity fed into the grid and the electricity consumed from the grid*, in line with Article 59(8).

(b) are subject to cost reflective, transparent and non-discriminatory network charges, *which reflect both the costs and benefits to the network based on a transparent cost-benefit analysis developed by the national regulatory authorities, including an assessment of their potential value to the grid and the contribution to other energy policy objectives*, in line with Article 59(8). *For local exchange of small scale power, these charges should be optional or at least proportionate to the distance of electricity transfer through the development of a tariff structure, in line with the cost-benefit analysis, that reflects, inter alia, both km and kWh transferred;*

Amendment 58

Proposal for a directive

Article 15 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) are not subject to charges on self-generated and consumed electricity at least until a cost-benefit analysis on self-generation and consumption proves that the macro-economic costs outweigh the benefits of self-consumed and/or generated electricity. Such cost-benefit analysis shall include externalities, network upgrade needs, support payments, value added tax, network charges, as well as other taxes and levies.

Amendment 59

Proposal for a directive

Article 15 – paragraph 2

Text proposed by the Commission

Amendment

2. The energy installation required for the activities of the active customer may be managed by a third party for installation, operation, including metering and maintenance.

2. The energy installation required for the activities of the active customer may be ***owned or*** managed by a third party ***acting on behalf of a customer or a group of customers*** for installation, operation, including metering and maintenance.

Amendment 60

Proposal for a directive

Article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall ensure that active consumers owning a storage facility:

(a) have the right to a grid connection within a reasonable time following the request;

(b) are not subject to additional taxes, surcharges, or fees for the electricity stored in the storage facility or, in the case of small scale local power exchange, exchanging power among end-users;

(c) are distinguished from generators and not subject to related licensing requirements and fees; and

(d) are allowed to provide several services simultaneously, if technically feasible.

Amendment 61

Proposal for a directive Article 16 – paragraph 1 – point a

Text proposed by the Commission

(a) are entitled to own, establish, or lease **community** networks and to autonomously manage them;

Amendment

(a) are entitled to own, establish, or lease **shared, including community**, networks and to autonomously manage them;

Amendment 62

Proposal for a directive Article 16 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) have non-discriminatory and technology neutral access to the grid;

Amendment 63

Proposal for a directive Article 16 – paragraph 1 – point c

Text proposed by the Commission

(c) benefit from a non-discriminatory treatment with regard to their activities, rights and obligations as final customers, generators, distribution system operators or

Amendment

(c) benefit from a non-discriminatory treatment with regard to their activities, rights and obligations as final customers, generators, **suppliers**, distribution system

aggregators;

operators or aggregators;

Amendment 64

Proposal for a directive

Article 16 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

With regard to point (d) of the first subparagraph, where the energy community engages in self-consumption or operates a community network, it may be exempted from charges when distributing electricity to their members in so far as this transfer happens within a 100m radius and involves a generating installation using renewable energy with an installed electricity capacity of less than 500 kW;

Amendment 65

Proposal for a directive

Article 16 – paragraph 2 – point -a (new)

Text proposed by the Commission

Amendment

(-a) final customers are entitled to participate in a local energy community;

Amendment 66

Proposal for a directive

Article 16 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) Article 8 (3) applies to generating capacity installed by local energy communities as long as such capacity can be considered small decentralised or distributed generation;

(d) Article 8 (3) applies to generating capacity installed by ***renewable energy communities, as a subcategory of*** local energy communities, as long as such capacity can be considered small decentralised or distributed generation;

Amendment 67

Proposal for a directive

Article 16 – paragraph 2 – point f

Text proposed by the Commission

(f) where relevant, a local energy community may conclude an agreement with a distribution system operator to which their network is connected on the operation of the local energy community's network;

Amendment

(f) where relevant, a local energy community may conclude an agreement with a distribution system operator to which their network is connected on the operation of the local energy community's network ***and on the storage of electricity***;

Amendment 68

Proposal for a directive

Article 16 – paragraph 2 – point h

Text proposed by the Commission

(h) where relevant local energy communities ***are*** subject to appropriate network charges at the connection points between the community network and the distribution network outside the energy community. Such network charges shall account separately for the electricity fed into distribution network and the electricity consumed from the distribution network outside the local energy community in line with Article 59 (8).

Amendment

(h) where relevant local energy communities ***may be*** subject to appropriate network charges at the connection points between the community network and the distribution network outside the energy community. Such network charges shall account separately for the electricity fed into ***the*** distribution network and the electricity consumed from the distribution network outside the local energy community in line with Article 59 (8). ***Such charges for electricity distribution should take account of the distance of transfer and ensure transfer costs do not, except in case of negative prices, exceed value of electricity transferred, in line with a cost-benefit analysis for distributed energy resources, including an assessment of their potential value to the grid and the contribution to other energy policy objectives.***

Amendment 69

Proposal for a directive Article 16 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States, through their national regulatory authorities shall monitor market access, treatment and procedures and charges applied to local energy communities, the impact of local energy communities on competition and consumer empowerment and protection, and local community benefits including their contribution towards alleviating energy poverty. They shall report annually to the Commission and, when appropriate, to national competition authorities in accordance with Article 59(1)(n).

Amendment 70

Proposal for a directive Article 17 – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

3. Member States shall ensure that their regulatory framework encourages the participation of aggregators in **the retail market** and that it contains at least the following elements:

3. Member States shall ensure that their regulatory framework encourages the participation of aggregators in **all markets** and that it contains at least the following elements:

Amendment 71

Proposal for a directive Article 17 – paragraph 3 – point b

Text proposed by the Commission

Amendment

(b) transparent rules clearly assigning roles and responsibilities to all market participants;

(b) transparent rules clearly assigning roles and responsibilities to all market participants, **including the need to respect operational security of the distribution and transmission grid by all market**

participants;

Amendment 72

Proposal for a directive Article 17 – paragraph 3 – point d

Text proposed by the Commission

Amendment

(d) aggregators shall not be required to pay compensation to suppliers or generators;

deleted

Amendment 73

Proposal for a directive Article 17 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Amendment

In order to ensure that balancing costs and benefits induced by aggregators are fairly assigned to market participants, Member States **may exceptionally** allow compensation payments between aggregators and **balance** responsible parties. Such compensation payments **must be limited to situations where one market participant induces imbalances to another market participant resulting in a financial cost.**

In order to ensure that balancing costs and benefits induced by aggregators, **as well as electricity sourcing costs**, are fairly assigned to market participants, **the aggregator should always be responsible for the balancing of the volumes he has committed and delivers during the activation of demand response activities, and** Member States **shall** allow compensation payments between aggregators and **balancing** responsible parties. Such compensation payments **shall be proportionate and shall not discriminate between aggregators. The principles for compensation calculation shall be defined by the regulator, unless a bilateral contractual agreement is reached between an aggregator and the affected balance responsible party. They shall be limited to situations in which an aggregator imposes financial costs on another market party and shall be derived from market prices at a given point in time.**

Amendment 74

Proposal for a directive Article 17 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Member States shall ensure that no undue barriers exist for aggregators to enter organised electricity markets, as long as they meet the entry criteria for these markets. The criteria shall be set by Member States in a transparent and non-discriminatory manner, including on the reliable and secure operation of the transmission and distribution networks in accordance with Regulation (EU) .../... [Electricity Regulation].

Amendment 75

Proposal for a directive Article 18 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States ensure that final customers receive all their bills and billing information for electricity consumption free of charge and that bills are clear, accurate and easy to understand.

2. Member States ensure that final customers receive all their bills and billing information for electricity consumption free of charge and that bills are clear, accurate and easy to understand, **containing clear explanations and justifications with regard to all other costs and taxes included.**

Amendment 76

Proposal for a directive Article 18 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

Billing shall take place on the basis of actual consumption at least once a year. Billing information shall be made available **at least once every three months, upon request or where the final customers have**

Billing shall take place on the basis of actual consumption at least once a year. Billing **and consumption** information shall be made available **continuously online** where **a smart meter has been installed**, or

opted to receive electronic billing or else *else at least once a month.*
twice a year.

Justification

If consumers are to actively engage in the energy market and engage in energy efficiency and savings, they must have frequently updated information on their consumption through their energy bills.

Amendment 77

Proposal for a directive
Article 18 – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

In the case of vulnerable customers, billing and billing information should be limited to actual electricity consumption, the cost of the system and any relevant taxes.

Justification

Including other charges in the electricity bill is a Member State competence, but vulnerable customers should not be subject to other charges that Member States may wish to include in the energy bills.

Amendment 78

Proposal for a directive
Article 18 – paragraph 7

Text proposed by the Commission

Amendment

7. Member States may lay down that, at the request of the final customers, the information contained in these bills shall not be considered to constitute a request for payment. In such cases, Member States shall ensure that suppliers offer flexible arrangements for payments. ***deleted***

Justification

Whichever form of billing (including electronic one) the customer chooses, the information stated on the bill shall constitute a request for payment, which is the very substance of the

bill. Otherwise consumers may be confused.

Amendment 79

Proposal for a directive Article 19 – paragraph 1

Text proposed by the Commission

1. In order to promote energy efficiency and empower customers , Member States or, where a Member State has so provided, the regulatory authority shall strongly recommend that electricity undertakings and aggregators optimise the use of electricity, inter alia by providing energy management services, developing innovative pricing formulas, or introducing interoperable smart metering systems or smart grids, where appropriate.

Amendment

1. In order to promote energy efficiency and empower customers , Member States or, where a Member State has so provided, the regulatory authority shall strongly recommend that electricity undertakings and aggregators optimise the use of electricity, inter alia by providing energy management services, developing innovative pricing formulas, or introducing interoperable smart metering systems ***where technically feasible, cost effective and proportionate in relation to the potential energy savings,*** or smart grids where appropriate.

Justification

Smart metering is not a silver bullet and should therefore only be considered when technically feasible, cost effective and proportionate in relation to the potential energy savings.

Amendment 80

Proposal for a directive Article 19 – paragraph 2

Text proposed by the Commission

2. Member States shall ***ensure*** the implementation of smart metering systems in their territories ***that shall*** assist the active participation of customers in the electricity market. ***Such*** implementation ***may*** be subject to a cost-benefit assessment which shall be undertaken according to the principles laid down in Annex III.

Amendment

2. ***Where appropriate*** Member States shall ***promote*** the implementation of smart metering systems in their territories ***as such metering can*** assist the active participation of customers in the electricity market. ***Any*** implementation ***shall be*** subject to a cost-benefit assessment which shall be undertaken according to the principles laid down in Annex III.

Justification

There are great geographical differences between Member States in the need for smart metering. This should be reflected in the Directive.

Amendment 81

Proposal for a directive Article 19 – paragraph 3

Text proposed by the Commission

3. Member States that proceed with deployment shall adopt and publish the minimum functional and technical requirements for the smart metering systems to be rolled out in their territories in line with the provisions laid down in Article 20 and Annex III. Member States shall ensure the interoperability of these smart metering systems as well as their connectivity with consumer energy management platforms. To this respect, Member States shall have due regard to the use of relevant available standards including those enabling interoperability, best practices and the importance of the development of the internal market in electricity.

Amendment

3. Member States that proceed with deployment shall adopt and publish the minimum functional and technical requirements for the smart metering systems to be rolled out in their territories in line with the provisions laid down in Article 20 and Annex III, ***while taking into account the existing functionalities of smart metering systems that are already installed***. Member States shall ensure the interoperability of these smart metering systems as well as their connectivity with consumer energy management platforms. To this respect, Member States shall have due regard to the use of relevant available standards including those enabling interoperability, best practices and the importance of the development of the internal market in electricity.

Justification

New requirements for smart metering systems (cf. the reference to the smart metering functionalities in Article 20) should be carefully assessed before being imposed, in order to avoid costly retrofitting of already installed smart metering systems.

Amendment 82

Proposal for a directive Article 20 – paragraph 1 – point d

Text proposed by the Commission

(d) meter operators shall ensure that the meter or meters of active customers who self-generate electricity can account for

Amendment

(d) meter operators shall ensure that the meter or meters of active customers who self-generate electricity can ***accurately***

electricity put into the grid from the active customers' premises;

account for electricity put into the grid from the active customers' premises;

Amendment 83

Proposal for a directive

Article 20 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Those functionalities shall apply to smart meters rolled-out after ... [2 years after the date of entry into force of this Directive].

Justification

In line with the principle of non-retroactivity and in order to avoid any stranded investment made under existing legislation.

Amendment 84

Proposal for a directive

Article 24 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission, by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 68, shall determine a common European data format and non-discriminatory and transparent procedures for accessing the data, listed under Article 23 (1), that will replace national data format and procedure adopted by Member States in accordance with paragraph 1. Member States shall ensure that market participants apply a common European data format.

2. The Commission, by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 68, shall determine a ***set of principles for a*** common European data format and non-discriminatory and transparent procedures for accessing the data, listed under Article 23 (1), that will replace national data format and procedure adopted by Member States in accordance with paragraph 1. ***That common data format and procedures shall be defined in close cooperation with the entities responsible for metering and with customer organisations.*** Member States shall ensure that market participants apply a common European data format.

Justification

Participation of affected parties is a prerequisite in order to ensure a realistic and suitable

outcome.

Amendment 85

Proposal for a directive Article 26 – paragraph 1

Text proposed by the Commission

Member States shall ensure that customers have access to simple, fair, transparent, independent, effective and efficient out-of-court dispute resolution mechanisms for the settlement of disputes concerning rights and obligations established under this Directive. Where the *costumer is* a consumer within the meaning of Directive 2013/11/EU of the European *Parliamend* and of the Council⁴⁶, such out-of-court mechanisms shall comply with the quality requirements established in Directive 2013/11/EU and provide, where warranted, for a system of reimbursement and/or compensation.

⁴⁶ OJ L 165, 18.6.2013, p. 63–79

Amendment

Member States shall ensure that customers have access to simple, fair, transparent, independent, effective and efficient out-of-court dispute resolution mechanisms for the settlement of disputes concerning rights and obligations established under this Directive ***through an independent mechanism such as an energy ombudsman or a consumer body is in place to ensure efficient treatment of complaints and out of court dispute settlements. Those mechanisms shall be able to address all consumer complaints in the energy market, including on bundled offers, new products and services providers such as aggregators and local energy communities.*** Where the *customer is an active consumer or* a consumer within the meaning of Directive 2013/11/EU of the European *Parliament* and of the Council⁴⁶, such out-of-court mechanisms shall comply with the quality requirements established in Directive 2013/11/EU and provide, where warranted, for a system of reimbursement and/or compensation ***as defined by the regulator and the ombudsman or consumer body.***

⁴⁶ OJ L 165, 18.6.2013, p. 63–79

Justification

Energy ombudsman and consumer bodies have proven to be the necessary, independent mechanism to support consumers and other market participants to achieve out of court dispute settlements while protecting consumer rights. The provisions adopted by the 9th Citizen Energy Forum should be incorporated in this Article.

Amendment 86

Proposal for a directive Article 28 – paragraph 1

Text proposed by the Commission

1. Member States shall take appropriate measures to protect customers and shall, in particular, ensure that there are adequate safeguards to protect vulnerable **customers**. In this context, each Member State shall define the concept of vulnerable customers **which may** refer to **energy poverty and**, inter alia, **to** the prohibition of disconnection of electricity to such customers in critical times. Member States shall ensure that rights and obligations linked to **vulnerable** customers are applied. In particular, they shall take measures to protect customers in remote areas. They shall ensure high levels of consumer protection, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms.

Amendment

1. Member States shall take appropriate measures to protect customers and shall, in particular, ensure that there are adequate safeguards to protect vulnerable **customers, including consumers at risk of energy poverty**. In this context, each Member State shall define the concept of vulnerable customers, **taking into account specific circumstances of a particular Member State, and** refer to, inter alia, **the energy poor or consumers at risk of energy poverty and** the prohibition of disconnection of electricity to such customers in critical times. Member States shall ensure that rights and obligations linked to vulnerable customers are applied. In particular, they shall take measures to protect customers in remote areas. They shall ensure high levels of consumer protection, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms.

Justification

This amendment is linked to AM 88 on Article 29 (Energy poverty). The issue of energy poverty requires greater attention from all legislators as they have an important role to protect the most vulnerable communities, and prevent groups in society from falling into energy poverty. Vulnerable consumer actions should be aligned with or contributing to measures to address energy poverty. This amendment is also linked to AM 35 on Article 5(2) including the category of "vulnerable consumers at risk of energy poverty".

Amendment 87

Proposal for a directive Article 28 – paragraph 2

Text proposed by the Commission

2. Member States shall take appropriate measures, such as formulating national energy action plans, providing benefits in social security systems to ensure the necessary electricity supply to vulnerable customers, *or* providing for support for energy efficiency improvements, to address energy poverty where identified, including in the broader context of poverty. Such measures shall not impede the effective opening of the market set out in Article 4 or market functioning and shall be notified to the Commission, where relevant, in accordance with the provisions of Article 9(4). Such notification may also include measures taken within the general social security system.

Amendment

2. Member States shall take appropriate measures, such as formulating national energy action plans, providing benefits in social security systems to ensure the necessary electricity supply to vulnerable customers, ***providing support for the development of more efficient heating and cooling technologies, and*** providing for support for energy efficiency improvements, to address energy poverty where identified, including in the broader context of poverty. Such measures shall not impede the effective opening of the market set out in Article 4 or market functioning and shall be notified to the Commission, where relevant, in accordance with the provisions of Article 9(4). Such notification may also include measures taken within the general social security system.

Justification

This amendment is linked to AM 88 on Article 29 (Energy poverty), AM 86 on Article 28(1) and AM 14 on Recital 40 (according to which Member States should, inter alia, provide mechanisms to support the development of more efficient heating and cooling technologies to tackle energy poverty). The issue of energy poverty requires greater attention from all legislators as they have an important role to protect the most vulnerable communities, and prevent groups in society from falling into energy poverty. Vulnerable consumer actions should be aligned with or contributing to measures to address energy poverty.

Amendment 88

Proposal for a directive Article 29 – paragraph 1

Text proposed by the Commission

Member States shall define a set of criteria for the purposes of measuring energy poverty. Member States shall continuously

Amendment

Member States shall define a set of ***common*** criteria for the purposes of measuring energy poverty ***and adopt a***

monitor the number of households in energy poverty and shall report on the evolution of energy poverty and measures taken to prevent it to the Commission every two years as part of their Integrated National Energy and Climate Progress Reports in accordance with Article 21 of [Governance Regulation as proposed by COM(2016)759].

broad and common definition of energy poverty within the context of a new Commission Communication and action plan on energy poverty, in accordance with the criteria provided for in Regulation (EU) .../... [Governance Regulation]. Member States shall continuously monitor the number of households in energy poverty and ***the number of consumers at risk of energy poverty. The Member States*** shall report on the evolution of energy poverty and measures taken to prevent ***and reduce*** it to the Commission every two years as part of their Integrated National Energy and Climate Progress Reports in accordance with Article 21 of [Governance Regulation as proposed by COM(2016)759].

Amendment 89

Proposal for a directive Article 31 – paragraph 5

Text proposed by the Commission

5. Each distribution system operator shall procure the energy it uses to cover energy losses and the non-frequency ancillary services in its system according to transparent, non-discriminatory and market based procedures, whenever it has such a function. Unless justified by a cost-benefit analysis, the procurement of non-frequency ancillary services by a distribution system operator shall be transparent, non-discriminatory and market-based ensuring effective participation of all market participants including renewable energy sources, demand response, energy storage facilities and aggregators, in particular by requiring regulatory authorities or distribution system operators in close cooperation with all market participants, to define technical modalities for participation in these markets on the basis of the technical requirements of these markets and the capabilities of all market

Amendment

5. Each distribution system operator shall procure the energy it uses to cover energy losses and the non-frequency ancillary services in its system according to transparent, non-discriminatory and market based procedures, whenever it has such a function. Unless justified by a cost-benefit analysis, the procurement of non-frequency ancillary services by a distribution system operator shall be transparent, non-discriminatory, ***prioritising generation from renewable sources***, and market-based ensuring effective participation of all market participants including renewable energy sources, demand response, energy storage facilities and aggregators, in particular by requiring regulatory authorities or distribution system operators in close cooperation with all market participants, to define technical modalities for participation in these markets on the basis of the technical requirements of these

participants.

markets and the capabilities of all market participants.

Amendment 90

Proposal for a directive

Article 32 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Distribution system operators shall define standardised market products for the services procured ensuring effective participation of all market participants **including** renewable energy sources, demand response, and aggregators. Distribution system operators shall exchange all necessary information and coordinate with transmission system operators in order to ensure the optimal utilisation of resources, ensure the secure and efficient operation of the system and facilitate market development. Distribution system operators shall be adequately remunerated for the procurement of such services in order to recover at least the corresponding expenses, including the necessary information and communication technologies expenses, including expenses which correspond to the necessary information and communication infrastructure.

Amendment

Distribution system operators shall define standardised market products for the services procured ensuring effective participation of all market participants **providing priority access for variable** renewable energy sources **and including** demand response, and aggregators. Distribution system operators shall exchange all necessary information and coordinate with transmission system operators in order to ensure the optimal utilisation of resources, ensure the secure and efficient operation of the system and facilitate market development. Distribution system operators shall be adequately remunerated for the procurement of such services in order to recover at least the corresponding expenses, including the necessary information and communication technologies expenses, including expenses which correspond to the necessary information and communication infrastructure.

Amendment 91

Proposal for a directive

Article 33 – paragraph 1

Text proposed by the Commission

1. Member States shall provide the necessary regulatory framework to facilitate the connection of publicly accessible and private recharging points to the distribution networks. Member States shall ensure that distribution system

Amendment

1. Member States shall provide the necessary regulatory framework to facilitate the connection of publicly accessible and private recharging points **according to the definition of Article 8(2) of Directive (EU) .../... [the revised Energy**

operators cooperate on a non-discriminatory basis with any undertaking that owns, develops, operates or manages recharging points for electric vehicles, including with regard to connection to the grid.

Performance of Buildings Directive] to the **transmission or** distribution networks. Member States shall ensure that **transmission system operators and** distribution system operators cooperate on a non-discriminatory basis with any undertaking that owns, develops, operates or manages recharging points for electric vehicles, including with regard to connection to the grid.

Justification

The provisions of this Directive should be aligned to the Energy Performance of Buildings Directive and the Alternative Fuels Infrastructure Directive. The voltage level acting as the border between transmission and distribution networks widely varies across Europe. Thus, the need for connection of recharging points to the distribution voltage level in some Member States may be equivalent to a connection to the transmission voltage level in other Member States. Moreover, with the expected growth in recharging points, the corresponding connections will be needed at increasingly higher voltage levels eventually including transmission networks.

Amendment 92

Proposal for a directive

Article 33 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States may allow distribution system operators to own, develop, manage or operate recharging points for electric vehicles only if the following conditions are fulfilled:

Amendment

2. Member States may allow distribution system operators to own, develop, manage or operate **public** recharging points for electric vehicles only if the following conditions are fulfilled:

Justification

To align with Alternative Fuels Infrastructure Directive.

Amendment 93

Proposal for a directive

Article 33 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Distribution system operators may

own, develop, manage and operate recharging points for electric vehicles for the purposes of their own fleet.

Justification

To align with Alternative Fuels Infrastructure Directive.

Amendment 94

**Proposal for a directive
Article 33 – paragraph 4**

Text proposed by the Commission

4. Member States shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to own, develop, operate or manage recharging points for electric vehicles. In case the public consultation indicates that third parties are able to own, develop, operate or manage such points, Member States shall ensure that distribution system operators' activities in this regard are phased-out.

Amendment

4. Member States shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to own, develop, operate or manage recharging points for electric vehicles. In case the public consultation indicates that third parties are able to own, develop, operate or manage such points, Member States shall ensure that distribution system operators' activities in this regard are phased-out. ***Distribution system operators shall have the right to recover their investment made into recharging infrastructure on fair and reasonable terms.***

Justification

For the sake of stability of investment environment, DSOs shall have right to recover costs associated with the infrastructure for electro mobility.

Amendment 95

**Proposal for a directive
Article 36 – paragraph 1**

Text proposed by the Commission

1. ***Distribution system operators shall not be allowed to own, develop, manage or operate energy storage facilities.***

Amendment

deleted

Amendment 96

Proposal for a directive Article 36 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. *Without prejudice to paragraph 1b, distribution system operators with an interest to own, develop, manage or operate storage facilities shall consult the national regulatory authority on whether the above-mentioned conditions are met.*

Amendment 97

Proposal for a directive Article 36 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. *By way of derogation from point (a) of paragraph 1, distribution system operators are allowed to own, develop, manage or operate energy storage facilities if the national regulatory authority has, based on a cost-benefit analysis and following public consultation, assessed that there is no necessity to apply the conditions under point (a) of paragraph 1 and has granted its approval.*

Amendment 98

Proposal for a directive Article 36 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. *By way of derogation from paragraph 1, Member States may allow distribution system operators to own, develop, manage or operate storage facilities only if the following conditions*

2. Distribution system operators **shall be allowed** to own, develop, manage or operate **energy** storage facilities **only** if **such facilities are necessary for the distribution system operator to fulfil its**

are fulfilled:

obligations under this Directive for efficient, reliable and secure operation of the distribution system and the following conditions are fulfilled:

Amendment 99

Proposal for a directive Article 36 – paragraph 2 – point a

Text proposed by the Commission

(a) other parties, following an open and transparent tendering procedure, have not expressed their interest to own, develop, manage or operate storage facilities;

Amendment

(a) other parties, following an open and transparent tendering procedure ***under the supervision of the national regulatory authorities***, have not expressed their interest to own, develop, manage or operate storage facilities, ***and the distribution system operator has been identified as a cost-efficient actor; and***

Amendment 100

Proposal for a directive Article 36 – paragraph 2 – point b

Text proposed by the Commission

(b) such facilities are ***necessary for*** the distribution system ***operators to fulfil their*** obligations under this Directive for the efficient, reliable and secure operation of the distribution system; ***and***

Amendment

(b) such facilities are ***used by*** the distribution system ***operator exclusively for the purpose of fulfilling its*** obligations under this Directive for the efficient, reliable and secure operation of the distribution system, ***and they are not used to sell electricity to the market.***

Amendment 101

Proposal for a directive Article 36 – paragraph 2 – point c

Text proposed by the Commission

(c) ***the regulatory authority has assessed the necessity of such derogation***

Amendment

deleted

taking into account the conditions under points (a) and (b) and has granted its approval.

Amendment 102

Proposal for a directive Article 36 – paragraph 4

Text proposed by the Commission

4. Regulatory authorities shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to invest, develop, operate or manage energy storage facilities. In case the public consultation indicates that third parties **are able** to own, develop, operate or manage such facilities, Member States shall ensure that distribution system operators' activities in this regard are phased-out.

Amendment

4. Regulatory authorities shall perform at regular intervals or at least every five years a public consultation in order to re-assess the potential interest of market parties to invest, develop, operate or manage energy storage facilities. In case the public consultation **and a cost-benefit analysis** indicate that third parties **have the capacity and interest** to own, develop, operate or manage such facilities **in a cost-efficient manner**, Member States shall ensure that distribution system operators' activities in this regard are phased-out. ***Distribution system operators shall have the right to recover their investment in storage facilities on fair and reasonable terms.***

Amendment 103

Proposal for a directive Article 36 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Member States shall be allowed to facilitate the development of a basic network of publicly accessible recharging points, in order to eliminate barriers to the initial development of electro-mobility.

Amendment 104

Proposal for a directive Article 40 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) managing electricity flows on the system, taking into account exchanges with other interconnected systems. To that end, the transmission system operator shall be responsible for ensuring a secure, reliable and efficient electricity system and, in that context, for ensuring the availability of all necessary ancillary services, including those provided by demand response and energy storage, insofar as such availability is independent from any other transmission system with which its system is interconnected;

(d) managing electricity flows on the system, taking into account exchanges with other interconnected systems. To that end, the transmission system operator shall be responsible for ensuring a secure, reliable and efficient electricity system and, in that context, for ensuring the availability of all necessary ancillary services, including those provided by demand response and energy storage, **and electric vehicles**, insofar as such availability is independent from any other transmission system with which its system is interconnected;

Justification

Electric vehicles can provide valuable ancillary services to the system by injecting electricity into the grid or varying their charging rate. Therefore, the transmission system operator should have real-time information of the electric vehicle demand. This amendment corresponds to the statement by the Commission in recital 27 that electro-mobility constitutes an important element in the energy transition and should create favourable conditions for electric vehicles.

Amendment 105

Proposal for a directive
Article 40 – paragraph 1 – point j a (new)

Text proposed by the Commission

Amendment

(ja) digitalisation of transmission systems to ensure, among others, efficient real time data acquisition and use, smart substations;

Justification

Digitalization of the grid and development of smart grids cannot be limited to distribution - it provides a solution to the whole system. However, the EC assigns digital solutions entirely to DSOs, negating the fact that the transmission level equally has to go through a digital transformation (e.g., efficient real-time data acquisition and use, smart substations, etc.). Indeed, digitalization goes beyond smart meter roll-out in the retail market. Innovation is necessary at the system level and should not be split between transmission and distribution.

Amendment 106

Proposal for a directive

Article 40 – paragraph 1 – point j b (new)

Text proposed by the Commission

Amendment

(jb) data management, cyber security and data protection;

Justification

Data management is a broad term that includes also data necessary for the operation of the whole system, for settlement purposes, for metering of both consumers, producers or storage connected anywhere in the system, etc. Proper preservation mechanisms of the integrity of such data and data systems managed by TSOs from any type of attack is a critical task already for all TSOs and should therefore also be assigned to TSOs.

Amendment 107

Proposal for a directive

Article 40 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States may provide that one or several responsibilities listed under points (a) to (j) of paragraph 1 be assigned to a transmission system operator other than the one which owns the transmission system to which the concerned responsibilities would otherwise be applicable. The transmission system operator to which the tasks are assigned shall be certified as ownership unbundled and fulfil the requirements provided for in Article 43, but does not have to own the transmission system it is responsible for. The transmission system operator which owns the transmission system shall fulfil the requirements provided for in Chapter VI and be certified in accordance with **Article 43**.

2. Member States may provide that one or several responsibilities listed under points (a) to (j) of paragraph 1 be assigned to a transmission system operator other than the one which owns the transmission system to which the concerned responsibilities would otherwise be applicable, **subject to a formal and reasoned request from the transmission system operator willing to transfer any of its responsibilities and the approval of the concerned Member States**. The transmission system operator to which the tasks are assigned shall be certified as ownership unbundled and fulfil the requirements provided for in Article 43, but does not have to own the transmission system it is responsible for. The transmission system operator which owns the transmission system shall fulfil the requirements provided for in Chapter VI and be certified in accordance with 43.

Justification

The application of this provision allows the transfer of some of the system operation functions (listed in Article 40.1) from the existing TSOs to other (new or existing) TSOs. This transfer may have relevant implications for the efficiency and security of the power systems:

Amendment 108

Proposal for a directive Article 40 – paragraph 4 – point b

Text proposed by the Commission

(b) ensures effective participation of all market participants **including** renewable energy sources, demand response, energy storage facilities and aggregators, in particular by requiring regulatory authorities or transmission system operators in close cooperation with all market participants, to define technical modalities for participation in these markets on the basis of the technical requirements of these markets and the capabilities of all market participants.

Amendment

(b) ensures effective participation of all market participants **giving priority to variable** renewable energy sources, **and including** demand response, energy storage facilities and aggregators, in particular by requiring regulatory authorities or transmission system operators in close cooperation with all market participants, to define technical modalities for participation in these markets on the basis of the technical requirements of these markets and the capabilities of all market participants.

Amendment 109

Proposal for a directive Article 54 – paragraph 1

Text proposed by the Commission

1. Transmission system operators shall **not** be allowed to own, manage or operate energy storage facilities and shall **not** own directly or indirectly control assets that provide ancillary services.

Amendment

1. Transmission system operators shall be allowed to own, manage or operate energy storage facilities and shall **be allowed to** own directly or indirectly control assets that provide ancillary services **in cases where those facilities or assets are an integral part of the transmission system and where the national regulatory authority has granted its approval and further also in any other cases if the following conditions are fulfilled:**

- (a) other parties, following an open and transparent tendering procedure under the supervision of the national regulatory authorities, have not expressed their interest to own, control, manage or operate such cost-effective facilities offering storage and/or ancillary services to the transmission system operator; and*
- (b) such facilities or ancillary services are necessary for the transmission system operators to fulfil their obligations under this Directive for the efficient, reliable and secure operation of the transmission system and they are not used to sell electricity to the market.*

Amendment 110

Proposal for a directive Article 54 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Without prejudice to paragraph 1b, transmission system operators with an interest in owning, developing, managing or operating storage facilities shall consult the national regulatory authority on whether the conditions provided for in paragraph 1 are met.

Amendment 111

Proposal for a directive Article 54 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. By way of derogation from point (a) of paragraph 1, transmission system operators are allowed to own, develop, manage or operate energy storage facilities if the national regulatory authority has, based on a cost-benefit analysis and following public consultation, assessed that there is no

necessity to apply the conditions under point (a) of paragraph 1 and has granted its approval.

Amendment 112

Proposal for a directive Article 54 – paragraph 2

Text proposed by the Commission

Amendment

2. By way of derogation from paragraph 1, Member States may allow transmission system operators to own, manage or operate storage facilities or assets providing non-frequency ancillary services if the following conditions are fulfilled:

deleted

(a) other parties, following an open and transparent tendering procedure, have not expressed their interest to own, control, manage or operate such facilities offering storage and/or non-frequency ancillary services to the transmission system operator;

(b) such facilities or non-frequency ancillary services are necessary for the transmission system operators to fulfil their obligations under this Directive for the efficient, reliable and secure operation of the transmission system and they are not used to sell electricity to the market; and

(c) the regulatory authority has assessed the necessity of such derogation taking into account the conditions under points (a) and (b) of this paragraph and has granted its approval.

Amendment 113

Proposal for a directive Article 54 – paragraph 4

Text proposed by the Commission

4. The transmission system operator shall perform at regular intervals or at least every five years a public consultation for the required storage services in order to **assess** the potential interest of market parties to invest in such facilities **and terminate its own storage activities in case** third parties **can provide the service** in a cost-effective manner.

Amendment

4. The transmission system operator ***under the supervision of the national regulatory authority*** shall perform at regular intervals or at least every five years a public consultation for the required storage services in order to ***re-assess*** the potential interest of market parties to invest in, ***develop, operate or manage*** such facilities. ***In case the public consultation and a cost-benefit analysis indicate that third parties have the capacity and interest to own, develop, operate or manage such facilities*** in a cost-effective manner, ***Member States shall ensure that transmission system operators' activities in this regard are phased-out. Transmission system operators shall have the right to recover their investment in such facilities on fair and reasonable terms.***

Amendment 114

**Proposal for a directive
Article 59 – paragraph 1 – point o**

Text proposed by the Commission

(o) monitoring the occurrence of restrictive contractual practices, including exclusivity clauses which may prevent ***large non-household*** customers from contracting simultaneously with more than one supplier or restrict their choice to do so, and, where appropriate, informing the national competition authorities of such practices;

Amendment

(o) monitoring the occurrence of restrictive contractual practices, including exclusivity clauses which may prevent customers from contracting simultaneously with more than one supplier or restrict their choice to do so, and, where appropriate, informing the national competition authorities of such practices;

Justification

This amendment is necessary to enable amendments 98 and 128 and allow individuals to contract simultaneously with several suppliers. It creates coherence with amendments 128, 144 and 151. All types of customers, should be allowed to contract with more than one electricity supplier. A household customer may want to sign a power purchase agreement with an on-site or nearby generating installation and a second supply contract with the regular supplier for the residual power. This is key as an incentive for increased active

customers, and renewable energy development and consumption.

Amendment 115

Proposal for a directive Article 59 – paragraph 1 – point q

Text proposed by the Commission

(q) helping to ensure, together with other relevant authorities, that the consumer protection measures are effective and enforced;

Amendment

(q) helping to ensure, together with other relevant authorities, that the ***new and existing*** consumer protection measures, ***including rights of active consumers***, are effective and enforced;

Amendment 116

Proposal for a directive Article 59 – paragraph 1 – point x a (new)

Text proposed by the Commission

Amendment

(xa) monitor market access for local energy communities, including the number of existing local energy communities, regulatory barriers that prevent market access or participation in different activities, their equal treatment, their impact on competition and consumer protection, and the benefits they provide, including vulnerable consumers and households experiencing energy poverty.

Amendment 117

Proposal for a directive Article 59 – paragraph 8

Text proposed by the Commission

8. With a view to increasing transparency in the market and provide to all interested parties all necessary information, decisions or proposals for a decision concerning transmission and distribution tariffs as referred in Article

Amendment

8. With a view to increasing transparency in the market and provide to all interested parties all necessary information, decisions or proposals for a decision concerning transmission and distribution tariffs as referred in Article

60(3), regulatory authorities shall make available to market parties the detailed methodology and underlying *costs* used for the calculation of the relevant network tariffs.

60(3), ***national*** regulatory authorities shall make available to market parties the detailed methodology and underlying ***assumptions*** used for the calculation of the relevant network tariffs, ***which shall include a cost benefit analysis for distributed energy resources, including an assessment of their potential value to the grid and the contribution to other energy policy objectives, in particular those provided by active customers and local energy communities.***

Amendment 118

Proposal for a directive Annex I – paragraph 1 – point b

Text proposed by the Commission

(b) clearly disclose their owners and the natural or legal person operating the tool;

Amendment

(b) clearly disclose their owners and the natural or legal person operating the tool, ***as well as information on how the tools are financed;***

Amendment 119

Proposal for a directive Annex I – paragraph 1 – point e

Text proposed by the Commission

(e) provide accurate and up-to-date information and state the time of the last update;

Amendment

(e) provide accurate and up-to-date information and state the time of the last update, ***including:***

- ***the tariff and breakdown in terms of taxes, levies, fees and charges contained in the energy tariff;***
- ***the percentage share of energy sources used for the overall energy mix over the preceding year;***
- ***for offers from renewable energy sources, information on the contribution of each energy source to the electricity purchased by the customer, including***

shares of each renewable energy source by technology and country of origin, share or percentage of consumption met from direct-supply from renewable energy sources producers and own-production by the supplier, and actions creating additional environmental and social benefits, including new investments in renewable energy sources;

- the exact nature of an advertised 'Green tariff' including the level of additionality;

- the information on the environmental impact of the energy mix, in terms of CO₂ emissions and radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year;

- quality of service, complaint-handling procedures, level of consumer satisfaction or misleading practices;

Amendment 120

Proposal for a directive Annex II – point 1 – paragraph 4

Text proposed by the Commission

In addition, comparisons with an average normalised or benchmarked customer in the same user category shall be made available to final customers *in*, with or signposted to within, their bills and periodical settlement bills.

Amendment

In addition, comparisons with an average normalised or benchmarked customer in the same user category shall be made available to final customers, *as well as an evaluation describing which of the provided tariffs would be most advantageous for the consumer, if the consumption pattern of the previous year is repeated in the coming year*, with or signposted to within, their bills and periodical settlement bills.

Justification

Information on the most advantageous tariff would avoid consumers being stuck on outdated and disadvantageous tariffs.

Amendment 121

Proposal for a directive

Annex II – point 4 – paragraph 2 – point c

Text proposed by the Commission

(c) ***as a minimum the reference to existing reference sources, such as web pages, where*** information on the environmental impact, in terms of at least CO₂ emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year ***is publicly available***;

Amendment

(c) information on the environmental impact, in terms of at least CO₂ emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year;

Justification

The consumer must be directly provided with this basic information on his energy consumption.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Common rules for the internal market in electricity (recast)
References	COM(2016)0864 – C8-0495/2016 – 2016/0380(COD)
Committee responsible Date announced in plenary	ITRE 1.3.2017
Opinion by Date announced in plenary	ENVI 1.3.2017
Rapporteur Date appointed	Pavel Poc 14.2.2017
Discussed in committee	21.6.2017
Date adopted	21.11.2017
Result of final vote	+: 52 –: 1 0: 9
Members present for the final vote	Margrete Auken, Pilar Ayuso, Zoltán Balczó, Catherine Bearder, Ivo Belet, Simona Bonafè, Lynn Boylan, Soledad Cabezón Ruiz, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Angélique Delahaye, Mark Demesmaeker, Bas Eickhout, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Arne Gericke, Jens Gieseke, Julie Girling, Françoise Grossetête, Andrzej Grzyb, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Josu Juaristi Abaunz, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Jo Leinen, Peter Liese, Norbert Lins, Valentinas Mazuronis, Joëlle Mélin, Susanne Melior, Rory Palmer, Gilles Pargneaux, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Frédérique Ries, Daciana Octavia Sârbu, Annie Schreijer-Pierik, Davor Škrlec, Renate Sommer, Ivica Tolić, Nils Torvalds, Adina-Ioana Vălean, Damiano Zoffoli
Substitutes present for the final vote	Jørn Dohrmann, Herbert Dorfmann, Eleonora Evi, Martin Häusling, Rupert Matthews, Stanislav Polčák, Christel Schaldemose, Bart Staes, Dubravka Šuica, Carlos Zorrinho
Substitutes under Rule 200(2) present for the final vote	Maria Noichl

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

52	+
ALDE:	Catherine Bearder, Gerben-Jan Gerbrandy, Anneli Jäätteenmäki, Valentinas Mazuronis, Frédérique Ries, Nils Torvalds
ECR:	Mark Demesmaeker, Jørn Dohrmann, Arne Gericke, Julie Girling, Urszula Krupa, Rupert Matthews, Boleslaw G. Piecha
EFDD:	Eleonora Evi, Piernicola Pedicini
GUE/NGL:	Lynn Boylan, Josu Juaristi Abaunz
PPE:	Pilar Ayuso, Ivo Belet, Alberto Cirio, Birgit Collin-Langen, Angélique Delahaye, Herbert Dorfmann, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Françoise Grossetête, Andrzej Grzyb, Giovanni La Via, Peter Liese, Norbert Lins, Stanislav Polčák, Annie Schreijer-Pierik, Renate Sommer, Dubravka Šuica, Ivica Tolić, Adina-Ioana Vălean
S&D:	Simona Bonafè, Soledad Cabezón Ruiz, Nessa Childers, Miriam Dalli, Seb Dance, Jo Leinen, Susanne Melior, Maria Noichl, Rory Palmer, Gilles Pargneaux, Pavel Poc, Christel Schaldemose, Daciana Octavia Sârbu, Damiano Zoffoli, Carlos Zorrinho

1	-
NI	Zoltán Balczó

9	0
ENF	Jean-François Jalkh, Joëlle Mélin
GUE/NGL	Kateřina Konečná
VERTS/ALE	Margrete Auken, Bas Eickhout, Martin Häusling, Benedek Jávor, Bart Staes, Davor Škrlec

Key to symbols:

+ : in favour

- : against

0 : abstention