



EU to boost Member States' bargaining power in energy deals with non-EU countries

Committees: Committee on Industry, Research and Energy

The European Commission could vet proposed bilateral energy deals between EU Member States and non-EU countries for compliance with EU law under draft legislation approved by the Energy Committee on Tuesday. MEPs clarified what would happen if deals do not comply with EU law and inserted safeguard clauses to protect all parties.

The legislative proposal, tabled by the Commission last September, would require EU Member States to share, with the Commission, the details of all bilateral energy supply deals that they negotiate with third countries. It would also enable the Commission to attend negotiations as an observer, and to check that the deals comply with EU law.

The key aims of the draft legislation are to prevent the EU from being put in a vulnerable and disadvantageous position with regard to the security of energy supplies for industry, and also to ensure economic efficiency, sustainability and fair consumer prices.

The draft legislation aims to prevent or solve problems like that which arose in 2010, before it was drafted, when the Commission contested an agreement between Poland and Russia (at Poland's request), so as to ensure access to the Polish section of the Yamal natural gas pipeline (part-owned by the Russian gas giant Gazprom), for other suppliers.

Rapporteur Krišjānis Kariņš (EPP, LV) said: "With the Committee vote, the European Parliament has taken an important step towards a common external energy policy of the European Union which is based on the principle of solidarity and the internal market rules. Now it is up to the European Council to demonstrate their willingness to develop the legislation of the EU with the aim of having a common external energy policy."

Sharing information on all bilateral agreements

Member States would be required to submit to the Commission all existing bilateral agreements with third countries, and the Commission would have 9 months to assess their compatibility with EU law.

Member States would also have to notify the Commission of any new agreements, no later than 3 months before the opening of negotiations. The Commission would be able -on its own initiative or at the request of the EU country concerned - to take part in the negotiations as an observer and provide help such as legal advice and suggested non-binding clauses.

Following the closure of negotiations, and no later than two weeks thereafter, the Member State would submit the draft (but not yet signed) agreement to the Commission. The Commission would then have two months to assess its compatibility with EU law and the signing of the deal could be deferred for a further two months should the Commission find incompatibilities. During these two further months, the Commission would have to issue a legal opinion.

Infringement procedures

Press release

The Commission's original proposal was unclear as to what would be done in cases where proposed deals are found to be incompatible with EU law. The Energy Committee, at the insistence of Mr Kariņš (EPP, LV), therefore added a clear two-step procedure for such cases, whereby the Commission would first issue legal opinions and recommendations, and then, should the EU countries concerned fail to act on them, the Commission would consider launching infringement proceedings.

Confidentiality

MEPs also added extra safeguard clauses to protect all parties involved. The Commission would share information received with all Member States in a "secure" electronic form, but only those parts which are not indicated by the EU country concerned as being confidential. The Commission would also need to report to Parliament every two years on all new energy deals.

This vote provides a mandate to start negotiations with a view to a possible first-reading agreement.

Procedure: Ordinary legislative procedure (co-decision)

Committee vote: 48 in favour, 4 against, no abstentions

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