



2016/0380(COD)

15.6.2017

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DRAFT REPORT

on the 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))

Committee on Industry, Research and Energy

Rapporteur: Krišjānis Kariņš

(Recast – Rule 104 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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))

(Ordinary legislative procedure – recast)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2016)0864),
 - having regard to Article 294(2) and Article 194(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0495/2016),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the reasoned opinions submitted, within the framework of Protocol No 2 on the application of the principles of subsidiarity and proportionality, by the Polish Senate, the Austrian Federal Council and the Hungarian Parliament asserting that the draft legislative act does not comply with the principle of subsidiarity,
 - having regard to the opinion of the European Economic and Social Committee¹;
 - having regard to the Committee of the Regions²;
 - having regard to the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts³,
 - having regard to Rules 104 and 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on the Environment, Public Health and Food Safety (A8-0000/2017),
- A. whereas, according to the Consultative Working Party of the legal services of the European Parliament, the Council and the Commission, the Commission proposal does not include any substantive amendments other than those identified as such in the proposal and whereas, as regards the codification of the unchanged provisions of the earlier acts together with those amendments, the proposal contains a straightforward codification of the existing texts, without any change in their substance;
1. Adopts its position at first reading hereinafter set out, taking into account the recommendations of the Consultative Working Party of the legal services of the

¹ OJ C ...

² OJ C ...

³ OJ C 77, 28.3.2002, p. 1.

European Parliament, the Council and the Commission;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a directive Recital 15

Text proposed by the Commission

(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

Amendment

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consumers' choice and satisfaction.

choice and satisfaction.

Or. en

Amendment 2

Proposal for a directive Recital 40

Text proposed by the Commission

(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.

Amendment

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Or. en

Amendment 3

Proposal for a directive Article 2 – paragraph 1 – point 39

Text proposed by the Commission

39. 'regional **operational** centre' means the regional operational centre as **defined in** Article 32 of the [recast of Regulation 714/2009 as proposed by COM(2016)861/2].

Amendment

39. 'regional **coordination** centre' means the regional **coordination** centre as **established pursuant to** Article 32 of the [recast of Regulation 714/2009 as proposed by COM(2016)861/2].

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en

Amendment 4

Proposal for a directive Article 2 – paragraph 1 – point 47

Text proposed by the Commission

47. 'energy storage' means, in the electricity system, **deferring an amount of the electricity that was generated to the moment of use, either as final energy or converted into** another energy carrier.

Amendment

47. 'energy storage' means, in the electricity system, **the conversion of electrical energy into a form of energy which can be stored, the storing of that energy, and the subsequent reconversion of that energy back into electrical energy or** another energy carrier.

Or. en

Amendment 5

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 supplier of their choice **and are free to contract simultaneously with several suppliers where technically feasible.**

Amendment 6**Proposal for a directive
Article 5 – paragraph 3***Text proposed by the Commission**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 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.

deleted

Or. en

Justification

Removing regulated retail prices will lead to fewer distortions in the market and overall lower retail prices. Therefore regulated end-consumer prices should be phased out as soon as possible.

Amendment 7**Proposal for a directive
Article 5 – paragraph 4 – subparagraph 1***Text proposed by the Commission**Amendment*After [OP – insert the date – *five* years fromAfter ... [OP – insert the date – *three* years

the entry into force of this Directive], Member States may still apply public interventions in the price-setting for the supply of electricity for vulnerable household customers in so far as it is strictly necessary for reasons of extreme urgency. ***Such*** interventions shall ***comply with the conditions set out in paragraph 3.***

from the entry into force of this Directive], Member States may still apply public interventions in the price-setting for the supply of electricity for vulnerable household customers in so far as it is strictly necessary for reasons of extreme urgency.

The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, shall be limited in time and shall be proportionate as regards their beneficiaries.

Or. en

Amendment 8

Proposal for a directive Article 12 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that a customer wishing to change supplier, while respecting contractual conditions, is entitled to such change within three weeks.

Amendment

1. Member States shall ensure that a customer wishing to change supplier, while respecting contractual conditions, is entitled to such change within three weeks. ***By 1 January 2025, the technical process of switching supplier shall take no longer than 24 hours and shall be possible on any working day.***

Or. en

Amendment 9

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

Amendment

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.

termination fees to customers willingly terminating fixed term, ***fixed price*** supply contracts before their maturity, ***provided that the customer has willingly entered into such a 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.

Or. en

Amendment 10

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 ***may do so in accordance with Article 12.***

Or. en

Amendment 11

Proposal for a directive Article 13 – paragraph 3

Text proposed by the Commission

3. ***Member States shall ensure that final customers terminating a fixed term contract with an aggregator before its maturity are not charged any termination fee that exceeds the direct economic loss to the aggregator, including the cost of any bundled investments or services already provided to the final customer as***

Amendment

deleted

part of the contract.

Or. en

Amendment 12

Proposal for a directive Article 14 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that customers have access, free of charge, to at least one tool comparing the offers of suppliers that meets the certification criteria set out in Annex I. The comparison tools may be operated by any entity, including private companies and public authorities or bodies. Customers should be informed of the availability of such tools.

Amendment

1. Member States shall ensure that customers have access, free of charge, to at least one tool comparing the offers of suppliers that meets ***at least*** the certification criteria set out in Annex I. The comparison tools may be operated by any entity, including private companies and public authorities or bodies. Customers should be informed of the availability of such tools.

Or. en

Amendment 13

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

Text proposed by the Commission

Amendment

(da) adequately contribute to the costs of the electricity system they remain connected to.

Or. en

Amendment 14

Proposal for a directive Article 17 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that ***national*** regulatory ***authorities encourage final customers, including those offering demand response through*** aggregators, to participate alongside generators in a non-discriminatory manner in all organised markets.

Amendment

1. Member States shall ensure that ***the*** regulatory ***framework allows*** aggregators to participate alongside generators in a non-discriminatory manner in all organised markets ***and capacity mechanisms***.

Or. en

Amendment 15

Proposal for a directive

Article 17 – paragraph 3 – introductory part

Text proposed by the Commission

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:

Amendment

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

Or. en

Amendment 16

Proposal for a directive

Article 17 – paragraph 3 – point b a (new)

Text proposed by the Commission

Amendment

(ba) transparent rules and procedures to ensure that the impact of the activity of aggregators or of other market participants are not considered to be imbalances for the impacted balance responsible parties;

Or. en

Amendment 17

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

Text proposed by the Commission

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

Amendment

(d) *transparent rules and procedures to ensure that market participants are remunerated for the energy they actually feed into the system during the demand response period. Where the conditions of remuneration are not agreed by market participants, they shall be subject to approval by the national regulatory authorities and monitored by the Agency;*

Or. en

Amendment 18

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

Text proposed by the Commission

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.

Amendment

Member States may derogate from the principles referred to in paragraph 3 in specific situations in which the impact of the activity of market participant activity on other market participants is limited and where the compensation referred to in point (d) of paragraph 3 therefore appears to be disproportionate.

Or. en

Amendment 19

Proposal for a directive Article 17 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

Such exceptional compensation payments shall be subject to approval by the national regulatory authorities and monitored by the Agency.

deleted

Or. en

Amendment 20

Proposal for a directive Article 24 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall define a common data format and a transparent procedure for eligible parties to have access to the data listed under Article 23 (1), in order to promote competition in the retail market and avoid excessive administrative costs for the eligible parties.

1. Member States shall define a common data format ***or ensure interoperability*** and a transparent procedure for eligible parties to have access to the data listed under Article 23 (1), in order to promote competition in the retail market and avoid excessive administrative costs for the eligible parties.

Or. en

Amendment 21

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.

2. The Commission, by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 68, shall determine ***interoperability standards and*** 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

Member States shall ensure that market participants apply *a* common European data format.

with paragraph 1. Member States shall ensure that market participants apply *interoperability standards or the* common European data format.

Or. en

Amendment 22

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 customer is 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 .*

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.*

Or. en

Amendment 23

Proposal for a directive Article 33 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Distribution system operators shall not be allowed to own, develop, manage or

operate recharging points for electric vehicles.

Or. en

Amendment 24

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. ***By way of derogation from paragraph 1a***, Member States may allow distribution system operators to own, develop, manage or operate recharging points for electric vehicles only if ***all of*** the following conditions are fulfilled:

Or. en

Amendment 25

Proposal for a directive

Article 33 – 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 recharging points for electric vehicles;

Amendment

(a) other parties, following an open and transparent tendering procedure, ***subject to review by the national regulatory authority***, have not expressed their interest to own, develop, manage or operate recharging points for electric vehicles, ***at a reasonable cost***;

Or. en

Amendment 26

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

1. Distribution system operators shall not be allowed to own, develop, manage or operate energy storage facilities, ***except equipment used by the distribution system operators for local short-term control of the distribution system where there is no influence on energy and non-frequency ancillary services markets, and where the national regulatory authority has granted its approval.***

Or. en

Amendment 27

Proposal for a directive

Article 36 – paragraph 2 – introductory part

Text proposed by the Commission

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 are fulfilled:

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 ***all of*** the following conditions are fulfilled:

Or. en

Amendment 28

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, ***subject to review by the national regulatory authority***, have not expressed their interest to own, develop, manage or operate storage facilities, ***at a reasonable cost***;

Amendment 29

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 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 the ownership or operation of the facility does not influence competitive energy markets***; and

Or. en

Amendment 30

Proposal for a directive Article 36 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. National regulatory authorities may draw up guidelines or procurement clauses to aid distribution system operators in ensuring a fair tendering procedure.

Or. en

Amendment 31

Proposal for a directive Article 36 – paragraph 4

Text proposed by the Commission

Amendment

4. ***Regulatory authorities*** shall perform at regular intervals or at least every five years a public consultation in

4. ***Member States*** shall perform at regular intervals or at least every five years a public consultation in order to re-assess

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.

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.

Or. en

Amendment 32

Proposal for a directive Article 36 a (new)

Text proposed by the Commission

Amendment

Article 36a

New activities of distribution system operators

1. Distribution system operators shall not be allowed to carry out activities beyond those set out in this Directive and in Regulation (EU) ... [recast of Regulation 714/2009 as proposed by COM(2016)861/2].

2. Member States may allow distribution system operators to carry out activities other than those provided for in this Directive and in Regulation (EU) ... [recast of Regulation 714/2009 as proposed by COM(2016)861/2] where the regulatory authority has assessed the necessity of such a derogation and has granted its approval and the following conditions are met:

(a) other parties, following an open and transparent tendering procedure, have not expressed their interest to carry out those activities;

(b) such activities 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;

(c) such activities are necessary for the distribution system operators to fulfil their obligations under the Regulation (EU) ... [recast of Regulation 714/2009 as proposed by COM(2016)861/2], including an obligation to cooperate with transmission system operators, ensuring the cost-efficient, secure and reliable development and operation of the distribution and transmission networks as a whole.

Or. en

Justification

The amendment to the basic act is necessary in order to ensure coherence between the amendments as the amendment is inextricably linked to other amendments tabled by the rapporteur.

Amendment 33

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;

Or. en

Amendment 34

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.

Amendment 35

Proposal for a directive Article 40 – paragraph 3

Text proposed by the Commission

3. In performing the tasks listed in paragraph 1, the transmission system operator shall take into account the **functions performed** by the regional **operational** centres and cooperate as necessary with neighbouring transmission system operators.

Amendment

3. In performing the tasks listed in paragraph 1, the transmission system operator shall take into account the **recommendations issued** by the regional **coordination** centres and cooperate as necessary with neighbouring transmission system operators.

Or. en

Amendment 36

Proposal for a directive Article 40 – paragraph 4 – introductory part

Text proposed by the Commission

4. In performing the task described in point (i) of paragraph 1, the transmission system operator shall ensure that the procurement of balancing services and, unless justified by a cost-benefit analysis, non-frequency ancillary services, is:

Amendment

4. In performing the task described in point (i) of paragraph 1, the transmission system operator shall ensure that the procurement of balancing services and, unless justified by a cost-benefit analysis **and approved by the competent authority**, non-frequency ancillary services, is:

Or. en

Amendment 37

Proposal for a directive Article 54 – paragraph 1

Text proposed by the Commission

1. Transmission system operators

Amendment

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.

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, ***unless those facilities or assets are an integral part of the transmission system and where the national regulatory authority has granted its approval..***

Or. en

Amendment 38

Proposal for a directive

Article 54 – paragraph 2 – introductory part

Text proposed by the Commission

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:

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 ***all of*** the following conditions are fulfilled:

Or. en

Amendment 39

Proposal for a directive

Article 54 – 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, control, manage or operate such facilities offering storage and/or non-frequency ancillary services to the transmission system operator;

Amendment

(a) other parties, following an open and transparent tendering procedure, ***subject to review by the national regulatory authority***, 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;

Or. en

Amendment 40

Proposal for a directive

Article 54 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. National regulatory authorities may draw up guidelines or procurement clauses to aid transmission system operators in ensuring a fair tendering procedure.

Or. en

Amendment 41

Proposal for a directive

Article 54 – paragraph 4

Text proposed by the Commission

Amendment

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.***

4. ***Member States 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. Where the public consultation indicates that third parties are able to own, develop, operate or manage such facilities, Member States shall ensure that the activities of transmission system operators in this regard are phased out.***

Or. en

Amendment 42

Proposal for a directive

Article 57 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) the regulatory authority can take autonomous decisions, independently from any political body, ***and has separate annual budget allocations, with autonomy in the implementation of the allocated budget, and adequate human and financial resources to carry out its duties; and***

(a) the regulatory authority can take autonomous decisions, independently from any political body;

Or. en

Justification

The text has been moved to a separate subparagraph.

The amendment to the basic act is necessary in order to ensure coherence between the amendments as the amendment is inextricably linked to other amendments tabled by the rapporteur.

Amendment 43

Proposal for a directive

Article 57 – paragraph 5 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the regulatory authority draws up a draft budget covering the regulatory tasks conferred upon it by this Directive and by related legislative acts, in order to provide the regulatory authority with the human and financial resources it needs to carry out its duties and powers in an effective and efficient manner;

Or. en

Justification

The amendment to the basic act is necessary in order to ensure coherence between the amendments as the amendment is inextricably linked to other amendments tabled by the rapporteur.

Amendment 44

Proposal for a directive

Article 57 – paragraph 5 – subparagraph 1 – point b b (new)

Text proposed by the Commission

Amendment

(bb) the ex-post control of a regulatory authority's annual accounts is performed by an independent auditor;

Or. en

Justification

The amendment to the basic act is necessary in order to ensure coherence between the amendments as the amendment is inextricably linked to other amendments tabled by the rapporteur.

Amendment 45

Proposal for a directive

Article 59 – paragraph 1 – point o

Text proposed by the Commission

Amendment

(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;

(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;

Or. en

Justification

In accordance with change in Article 4.

The amendment to the basic act is necessary in order to ensure coherence between the amendments as the amendment is inextricably linked to other amendments tabled by the rapporteur.

Amendment 46

Proposal for a directive

Article 59 – paragraph 1 – point x

Text proposed by the Commission

(x) monitoring the availability of comparison *websites*, including comparison *tools* that fulfil the criteria set out in Article 14 *and Annex I*.

Amendment

(x) monitoring the availability of comparison *tools*, including comparison *websites, apps and other interactive means*, that fulfil the criteria set out in Article 14.

Or. en

Amendment 47

Proposal for a directive

Article 62 – paragraph 1 – point a

Text proposed by the Commission

(a) approve the *statutes and rules of procedure*;

Amendment

(a) approve the *proposal for the establishment of regional coordination centres in accordance with Article 32(1) of Regulation (EU) ... [Recast of electricity regulation]*;

Or. en

Amendment 48

Proposal for a directive

Article 62 – paragraph 1 – point c

Text proposed by the Commission

(c) approve the cooperative *decision-making process*;

Amendment

(c) approve the cooperative *processes*;

Or. en

Amendment 49

Proposal for a directive

Article 62 – paragraph 1 – point d

Text proposed by the Commission

(d) assess if the regional *operational* centre has the appropriate competences, resources and impartiality to carry out independently the functions and tasks assigned to it, including security, liability and contingency arrangements;

Amendment

(d) *regularly* assess if the regional *coordination* centre has the appropriate competences, resources and impartiality to carry out independently the functions and tasks assigned to it, including security, liability and contingency arrangements;

Or. en

Amendment 50

Proposal for a directive

Article 69 – paragraph 1

Text proposed by the Commission

The Commission shall monitor and review the application of this Directive and submit an overall progress report to the European Parliament and the Council as an annex to the State of the Energy Union Report referred to in [Article 29 of Governance Regulation as proposed by COM (2016) 549].

Amendment

The Commission shall monitor and review the application of this Directive and submit an overall progress report to the European Parliament and the Council as an annex to the State of the Energy Union Report referred to in [Article 29 of Governance Regulation as proposed by COM (2016) 549]. *By 1 June 2025, the Commission shall review the implementation of this Directive and shall submit a report and, if appropriate, a legislative proposal to the European Parliament and to the Council.*

Or. en

Amendment 51

Proposal for a directive

Annex I – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) rank and display the search results according to an impartial algorithm independent from any remuneration from suppliers;

Or. en

Amendment 52

Proposal for a directive

Annex II – point 1 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

The following information shall be prominently displayed to final customers in their bills and periodical settlement bills:

The following **key** information shall be prominently displayed to final customers in their bills and periodical settlement bills, **distinctly apart from other parts of the bill:**

Or. en

Amendment 53

Proposal for a directive

Annex II – point 1 – paragraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) when the payment is due;

Or. en

Amendment 54

Proposal for a directive

Annex II – point 1 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) the contact details of the supplier

(d) the contact details of the supplier

including a consumer support hotline;

with at least the phone number and email address;

Or. en

Amendment 55

Proposal for a directive

Annex II – point 1 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) the information on switching and dispute settlement;

Or. en

Justification

Before point (e)

Amendment 56

Proposal for a directive

Annex II – point 1 – paragraph 2 – point h

Text proposed by the Commission

Amendment

(h) information on their rights as regards the means of dispute settlement available to them in the event of a dispute pursuant to Article 26.

(h) contact details of the entity responsible for dispute settlement.

Or. en

Amendment 57

Proposal for a directive

Annex II – point 1 – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

Where appropriate, the following information shall be *prominently* displayed

Where appropriate, the following information shall be displayed to final

to final customers in or with their bills and
periodical settlement bills:

customers in or with their bills and
periodical settlement bills:

Or. en

Amendment 58

Proposal for a directive

Annex II – point 1 – paragraph 3 – point c a (new)

Text proposed by the Commission

Amendment

*(ca) information on their rights as
regards the means of dispute settlement
available to them in the event of a dispute
pursuant to Article 26.*

Or. en

EXPLANATORY STATEMENT

I. Introduction

For years electricity systems in Europe were dominated by national monopolies, which controlled the entire system from production through distribution and delivery to the consumer. Although such a “top-down” system provided electricity, it did not allow for any competition, which is not beneficial for consumers. Since 1996, electricity markets have been gradually opened to foster competition and bring down prices. The last substantive EU legislative changes came with the Third Energy Package back in 2009.

Since that time, a revolution has occurred in the generation of electricity. Electricity production has evolved from a “spoke and wheel” centralized system to a much more decentralized one, due to advances in renewable and other technologies. Once again legislation needs to be adjusted to adopt to this new reality.

Renewables (often coming from the wind or the sun) have introduced a large degree of intermittency to the system, which has had to adapt to become more flexible while still guaranteeing security of supply to consumers. Our climate goals have fostered various subsidy and support schemes, which combined with incomplete cross-border cooperation between EU Member States have resulted in an overcapacity of generation on EU level. In many Member States, regulated prices combined with the disjoint support schemes are sending the wrong signals for investments.

To address these challenges and to foster decarbonisation, your rapporteur has taken a “market first” approach, which means creating a truly level playing field for all market participants. This entails moving away from market-distorting subsidies, whether they are for fossil fuels, nuclear, or renewable energy sources. Fair rules mean fair competition in the market. A fair electricity market will deliver both our climate goals as well as the lowest and most competitive prices for consumers, at the same time ensuring security of supply without over-investment.

II. The report

II.1. Market first

A fundamental principle of any market is free movement of prices. Therefore removal of price caps is an essential element and should take place as soon as possible.

Capacity mechanisms are subsidies, which make little to no sense when there is overcapacity in the EU. The rapporteur believes that they should be applied only as a last resort. First, the European adequacy assessment would have to establish that the adequacy concern exists. Then the Member State would have to address the existing obstacles causing the adequacy concern through concrete commitments, subject to review by the Commission. Where the adequacy concern can only be addressed over a longer period of time, a capacity mechanism would be allowed, subject to certain conditions and EU State aid rules. Such mechanisms, where feasible, would have to be cross-border.

A level playing field for all is the key element in ensuring that prices are based on competition. The current support to some producers in the form of priority dispatch and derogation from balancing responsibility distorts competition. The rapporteur believes that for the market to deliver, everyone has to be financially responsible for the imbalances they cause in the system. Such an approach provides

the right incentive to keep the system in balance and ensures the appropriate level of security of supply, reducing the need for capacity mechanisms.

II.2. Bidding zones

Larger bidding zones provide more liquidity, but less incentives for grid investments. The rapporteur shares the view that bidding zones should be stable over time and as large as possible, taking into account systemic congestion. He is suggesting a carrot and a stick approach. First, after the bidding zone review, relevant Member States should agree unanimously on the bidding zone structure and concrete commitments where necessary. When an agreement cannot be reached, the Commission should step in to resolve the disagreement.

II.3. Regional cooperation

In the electricity market, what happens in one Member State influences others in the region and beyond. To ensure system security and avoid blackouts, more regional cooperation of the transmission system operators is key. The rapporteur sees the great benefit which the already operational regional security coordinators provide in ensuring system security. As electricity markets become ever more interlinked, enhancing this cooperation by assigning more tasks and functions at the regional level is the next logical step. However, the ultimate responsibility for the security of the system has to remain with the transmission system operators.

II.4. Consumer

Technology now allows new actors to become active on the electricity market. Therefore, the market design has to allow and facilitate inclusion of everyone that can and is willing to participate, whether it is through self-generation, storage, or demand response. Removing market barriers means more market players and more choice for the consumer. The rapporteur is also suggesting changes in the proposal to ensure that the consumer can make well-informed decisions and switch suppliers in a short period of time.