



Plenary sitting

A8-0039/2018

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*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council
on risk-preparedness in the electricity sector and repealing Directive
2005/89/EC
(COM(2016)0862 – C8-0493/2016 – 2016/0377(COD))

Committee on Industry, Research and Energy

Rapporteur: Flavio Zanonato

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 regulation of the European Parliament and of the Council on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC (COM(2016)0862 – C8-0493/2016 – 2016/0377(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2016)0862),
 - having regard to Article 294(2) and Article 194 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0493/2016),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 31 May 2017¹,
having regard to the opinion of the Committee of the Regions of 13 July 2017²
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy (A8-0039/2018),
1. Adopts its position at first reading hereinafter set out;
 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.

¹ OJ C 288, 31.8.2017, p. 91.

² OJ C 342, 12.10.2017, p. 79.

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The electricity sector in the Union is undergoing a profound transformation, characterised by more decentralised markets with more players, ***better interlinked systems and*** a higher proportion of renewable energy. In response, Directive xxx/ Regulation xxx [Reference to the proposed Electricity Directive and Electricity Regulation] aim to upgrade the legal framework governing the Union's internal electricity market, so as to ensure that markets and networks function in an optimal manner, to the benefit of businesses and ***consumers***.

Amendment

(1) The electricity sector in the Union is undergoing a profound transformation, characterised by more decentralised markets with more players, a higher proportion of renewable energy ***and better interlinked systems which, however, are still insufficient***. In response, Directive xxx/ Regulation xxx [Reference to the proposed Electricity Directive and Electricity Regulation] aim to upgrade the legal framework governing the Union's internal electricity market, so as to ensure that markets and networks function in an optimal manner, to the benefit of businesses and ***Union citizens***. ***This Regulation is intended to contribute to the implementation of the objectives of the Energy Union, which rests on solidarity, a principle enshrined in Article 194 of the Treaty on the Functioning of the European Union.***

Amendment 2

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) Well-functioning markets and systems ***are the best guarantee of security of supply***. However, even where markets and systems function well, the risk of an electricity crisis (as a result of extreme weather conditions, malicious attacks or a fuel shortage) can never be excluded. The consequences of crisis situations often extend beyond national borders. Even

Amendment

(2) ***The security of supply in the Union is best guaranteed through well-functioning markets and systems with developed and technologically-modern electricity interconnections, ensuring free flow of energy across borders, energy efficiency measures and further development of renewable energy sources***
However, even where markets and systems

where incidents start locally *their effects* can rapidly *spread across borders*. Some extreme circumstances, such as a cold spell, a heat wave or a cyber-attack, may affect entire regions at the same time.

function well *and are interconnected*, the risk of an electricity crisis (*especially* as a result of extreme weather conditions, malicious attacks or a fuel shortage) can never be excluded. The consequences of crisis situations often extend beyond national borders. Even incidents *which* start locally can rapidly *have a cross-border effect*. Some extreme circumstances, such as a cold spell, a heat wave or a cyber-attack, may affect entire regions at the same time.

Amendment 3

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) In a context of interlinked electricity markets and systems, crisis prevention and management cannot be considered a purely national responsibility. A common framework of rules and coordinated procedures are needed, to ensure that Member States and other actors cooperate effectively across borders *in a spirit of* transparency and solidarity.

Amendment

(3) In a context of interlinked electricity markets and systems, crisis prevention and management cannot be considered a purely national responsibility *and the potential of more efficient and less costly measures through regional cooperation should be better exploited*. A common framework of rules and *better* coordinated procedures are needed, to ensure that Member States and other actors cooperate effectively across borders *and increase* transparency, *trust* and solidarity *between Member States*.

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The System operation guidelines²⁴ and the Network code on emergency and restoration²⁵ constitute a detailed rulebook governing how transmission system operators and other relevant actors should act and cooperate to ensure system

Amendment

(5) The System operation guidelines²⁴ and the Network code on emergency and restoration²⁵ constitute a detailed rulebook governing how transmission system operators and other relevant actors should act and cooperate to ensure system

security. These technical rules should ensure that **most** electricity incidents are dealt with effectively at operational level. This Regulation focuses on electricity crisis situations that may have a larger scale and impact. It sets out what Member States should do to prevent such situations and what measures they can take should system operational rules alone no longer suffice. Even in crisis situations, however, system operation rules should continue to be fully respected.

²⁴ Commission Regulation (EU) .../...of XXX establishing a guideline on electricity transmission system operation, OJ [...]

²⁵ Commission Regulation (EU) .../...of XXX establishing a network code on electricity emergency and restoration, OJ [...].

security. These technical rules should ensure that electricity incidents are dealt with effectively at operational level. This Regulation focuses on electricity crisis situations that may have a larger scale and impact. It sets out what Member States should do to prevent such situations and what measures they can take should system operational rules alone no longer suffice. Even in crisis situations, however, system operation rules should continue to be fully respected **and consistency between the provisions of this Regulation and the network code on emergency and restoration should be ensured.**

²⁴ Commission Regulation (EU) .../...of XXX establishing a guideline on electricity transmission system operation, OJ [...]

²⁵ Commission Regulation (EU) .../...of XXX establishing a network code on electricity emergency and restoration, OJ [...].

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) This Regulation sets out a common framework of rules on how to prevent, prepare for and manage electricity crisis situations, bringing more transparency in the preparation phase and during an electricity crisis and ensuring that, even in a crisis, electricity is delivered where it is needed most. It requires Member States to cooperate at regional level, in a spirit of solidarity. It also sets out a framework for **an** effective monitoring of security of supply in Europe via the Electricity Coordination Group. This should result in better risk preparedness at a lower cost. It

Amendment

(6) This Regulation sets out a common framework of rules on how to prevent, prepare for and manage electricity crisis situations, bringing more transparency in the preparation phase and during an electricity crisis and ensuring that, even in a crisis, **measures are taken in a coordinated and effective manner and** electricity is delivered where it is needed most. It requires Member States to cooperate at regional level, in a spirit of solidarity. It also sets out a framework for **the** effective monitoring of security of supply in Europe via the Electricity

should also strengthen the internal energy market by **enhancing** trust and confidence **across** Member States and ruling out inappropriate **state interventions** in crisis situations, in particular avoiding undue curtailment of cross-border flows.

Coordination Group. This should result in better risk-preparedness at a lower cost, **the optimisation of resources and mitigated impact on citizens and companies in time of crisis**. It should also strengthen the internal energy market by **strengthening** trust and confidence **among** Member States and ruling out inappropriate **state-interventions** in crisis situations, in particular **by** avoiding **the unnecessary application of non-market measures and undue curtailment of cross-border flows and cross-zonal transmission capacities, thus reducing the risk of negative spill-over effects on neighbouring Member States**.

Amendment 6

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) **To facilitate prevention, information exchange and ex-post evaluation of electricity crises, Member States should designate one competent authority as a contact point. This may be an existing or new entity.**

Amendment

(10) **Security of supply is a shared responsibility among many actors, with each having a clearly defined role to play in the management of electricity systems. Distribution systems operators and transmission system operators play a key role in ensuring a secure, reliable and efficient electricity system in accordance with Articles 31 and 40 of Directive (EU) .../... of the European Parliament and of the Council [proposed Electricity Directive, COD 2016/380]. The regulatory authorities and other relevant national authorities also play an important role in ensuring and monitoring the security of electricity supply, as part of their tasks attributed by Article 59 of Directive (EU) .../... [proposed Electricity Directive]. With the aim of ensuring transparent and inclusive participation of all the actors involved, efficient preparation and proper implementation of the risk preparedness plans and the regional agreements, as well as facilitating prevention,**

information exchange and ex-post evaluation of electricity crises, Member States should designate a single competent national governmental or regulatory authority as a contact point. This may be an existing or new entity.

Amendment 7

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10 a) A common approach to crisis prevention and management requires a common definition of the electricity crisis. In order to overcome the current divergent approaches across the Union, this Regulation should define an electricity crisis, in broad terms, as a situation in which a significant shortage of or an impossibility to deliver electricity is present or imminent. Member States should be required to identify concrete electricity crisis scenarios at the regional and national level and subsequently identify concrete measures to address such situations in their risk preparedness plans. That approach should ensure that all possible crisis situations are covered, taking into account regional and national specificities such as the topography of the grid, the electricity mix, the size of production and consumption and the dispersion of population.

Justification

Currently, there is no common view across Europe of what a crisis situation means and entails. Therefore, and with the view of enabling Member States to define/quantify in their national risk preparedness plans what a 'significant electricity shortage' or an 'impossibility to deliver' means in concrete terms, the definition of 'crisis situation' needs to be broad so to cover all possible crisis situations across Europe.

Amendment 8

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) ***A common approach to crisis prevention and management requires, above all, that Member States use the same methods and definitions to identify risks relating to the security of electricity supply and are in a position effectively to compare how well they and their neighbours perform in that area. The Regulation identifies two indicators to monitor the security of electricity supply in the Union: 'expected energy non served' (EENS), expressed in GWh/year, and 'loss of load expectation' (LOLE), expressed in hours/year. These indicators are part of the European resource adequacy assessment carried out by the European Network of Transmission System Operators for Electricity (ENTSO-E), pursuant to [Article 19 of the proposed Electricity Regulation]. The Electricity Coordination Group shall carry out regular monitoring of the security of supply based on the results of these indicators. The Agency for the Cooperation of Energy Regulators (Agency) should also use these indicators, when reporting on Member States' performance in the area of security of supply in its annual electricity market monitoring reports, pursuant to [Article 16 of the proposed ACER Regulation].***

Amendment 9

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) To ensure ***the*** coherence of risk ***assessments that builds*** trust between Member States in a crisis situation a

Amendment

(11) ***There is a need for*** Member States ***to use common*** methods and definitions to identify risks relating to the security of electricity supply, ***allowing them to*** effectively compare how well they and their neighbours perform in that area. The Regulation identifies two indicators to monitor the security of electricity supply in the Union: 'expected energy non served' (EENS), expressed in GWh/year, and 'loss of load expectation' (LOLE), expressed in hours/year. These indicators are part of the European resource adequacy assessment carried out by the European Network of Transmission System Operators for Electricity (ENTSO-E), pursuant to [Article 19 of the proposed Electricity Regulation]. The Electricity Coordination Group shall carry out regular monitoring of the security of supply based on the results of these indicators. The Agency for the Cooperation of Energy Regulators (Agency) should also use these indicators, when reporting on Member States' performance in the area of security of supply in its annual electricity market monitoring reports, pursuant to [Article 16 of the proposed ACER Regulation].

Amendment

(12) To ensure coherence ***in the assessment*** of risk ***and build*** trust between Member States in a crisis situation, a

common approach to *identifying* risk scenarios is needed. Therefore, ENTSO-E should develop a common methodology for risk identification in cooperation with the Agency, with ENTSO-E proposing the methodology and the Agency approving it.

common approach to *identify* risk scenarios is needed. Therefore, *after consulting the relevant stakeholders including generators of both conventional and renewable energy*, ENTSO-E should develop *and regularly update*, a common methodology for risk identification in cooperation with the Agency, with ENTSO-E proposing the methodology and *the updates thereof*, and the Agency approving it.

Amendment 10

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) On the basis of this common methodology, ENTSO-E should regularly draw up and update regional crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks. When considering the crisis scenario of gas fuel shortage, the risk of gas supply disruption should be assessed based on the gas supply and infrastructure disruption scenarios developed by the European Network of Transmission System Operators for Gas pursuant to Article 6.6 of the Gas Security of Supply Regulation [proposed Gas Security of Supply Regulation]. Member States should establish and update their national crisis scenarios *on this basis*, in principle every three years. The scenarios should provide the basis for the risk-preparedness plans. When identifying risks on national level the Member States should also describe possible risks they see in relation to the ownership of infrastructure relevant for security of supply, and *possible* measures taken, *if any*, to address such risks (such as general or sector-specific investment screening laws, special rights for certain shareholders, etc.), with

Amendment

(13) On the basis of this common methodology, ENTSO-E should regularly draw up and update regional crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks. When considering the crisis scenario of gas fuel shortage, the risk of gas supply disruption should be assessed based on the gas supply and infrastructure disruption scenarios developed by the European Network of Transmission System Operators for Gas pursuant to Article 6.6 of the Gas Security of Supply Regulation [proposed Gas Security of Supply Regulation] *In order to reinforce the regional approach to risk-assessment, ENTSO-E should be able to delegate tasks related to the identification of regional crisis scenarios to regional coordination centres*. Member States should, *on the basis of those regional crisis scenarios*, establish and update their national crisis scenarios, in principle every three years. The scenarios should *then* provide the basis for the risk-preparedness plans. When identifying risks on national level the Member States should also describe possible risks they see in relation

an indication why in their view such measures are *justified*.

to the ownership of infrastructure relevant for security of supply, and *any* measures taken, to address such risks (such as general or sector-specific investment screening laws, special rights for certain shareholders, etc.), with an indication why in their view such measures are *considered to be necessary and proportionate*.

Amendment 11

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) As stated in the [proposed Electricity Regulation], the regional *operational* centres should regularly assess relevant risks as they are entrusted with the operational management of such situations. To ensure that they can carry out their tasks effectively and act in close cooperation with relevant national authorities with a view to preventing and mitigating larger-scale incidents, the regional cooperation required under this Regulation should build on the regional cooperation structures used at technical level, namely the groups of Member States sharing the same regional *operational* centre.

Amendment

(15) As stated in the [proposed Electricity Regulation], the regional *coordination* centres should regularly assess relevant risks as they are entrusted with the operational management of such situations. To ensure that they can carry out their tasks effectively and act in close cooperation with relevant national authorities with a view to preventing and mitigating larger-scale incidents, the regional cooperation required under this Regulation should build on the regional cooperation structures used at technical level, namely the groups of Member States sharing the same regional *coordination* centre.

Justification

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

Amendment 12

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) The [proposed Electricity Regulation] prescribes the use of a common methodology for the medium to long-term European resource adequacy assessment (from 10 year-ahead to year ahead), with a view to ensuring that Member States' decisions as to possible investment needs are made on a transparent and commonly agreed basis. This assessment has a different purpose than the short-term adequacy assessments which are used to detect possible adequacy related problems in short time-frames, namely seasonal outlooks (six months ahead) and week-ahead to intraday adequacy assessments. Regarding short-term assessments, there is a need for a common approach to the way possible adequacy-related problems are detected. The ENTSO-E is to issue winter and summer outlooks to alert Member States and transmission system operators to security of supply related risks that might occur in the following six months. To improve these outlooks, they should be based on a common probabilistic methodology proposed by ENTSO-E and approved by the Agency. In order to reinforce the regional approach to assessing risks, ENTSO-E should be able to delegate tasks related to seasonal outlooks to regional operational centres.

Amendment

(16) The [proposed Electricity Regulation] prescribes the use of a common methodology for the medium to long-term European resource adequacy assessment (from 10 year-ahead to year ahead), with a view to ensuring that Member States' decisions as to possible investment needs are made on a transparent and commonly agreed basis. This assessment has a different purpose than the short-term adequacy assessments which are used to detect possible adequacy related problems in short time-frames, namely seasonal outlooks (six months ahead) and week-ahead to intraday adequacy assessments. Regarding short-term assessments, there is a need for a common approach to the way possible adequacy-related problems are detected. The ENTSO-E is to issue winter and summer outlooks to alert Member States and transmission system operators to security of supply related risks that might occur in the following six months. To improve these outlooks, they should be based on a common probabilistic methodology proposed by ENTSO-E, ***after consulting the relevant stakeholders, including environmental organisations and academia***, and approved by the Agency ***and updated on a regular basis***. In order to reinforce the regional approach to assessing risks, ENTSO-E should be able to delegate tasks related to seasonal outlooks to regional operational centres.

Amendment 13

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) To ensure a common approach to

Amendment

(18) To ensure a common approach to

crisis prevention and management, the competent authority of each Member State should draw up a risk-preparedness plan, after consulting stakeholders. The plans should describe effective, proportionate and non-discriminatory measures addressing all identified crisis scenarios. Plans should provide transparency especially as regards the conditions in which non-market measures *can be taken* to mitigate crisis situations. All envisaged non-market measures should comply with the rules set out in this Regulation.

crisis prevention and management, the competent authority of each Member State should, *on the basis of the regional and national electricity crisis scenarios identified*, draw up a risk-preparedness plan, after consulting *relevant* stakeholders. The plans should describe effective, proportionate and non-discriminatory measures addressing all identified crisis scenarios. Plans should provide transparency especially as regards the conditions in which non-market measures *are considered necessary* to mitigate crisis situations. All envisaged non-market measures should comply with the rules set out in this Regulation.

Amendment 14

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) Plans should be updated regularly. To ensure that the plans are always up-to-date and effective, the competent authorities of each region should organise annual simulations in cooperation with regional operational centres to test their suitability.

Amendment

(20) Plans should be updated regularly *and made public, while ensuring confidentiality of sensitive information*. To ensure that the plans are always up-to-date and effective, the competent authorities of each region should organise annual simulations in cooperation with regional operational centres to test their suitability.

Amendment 15

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) In 2012, the Electricity Coordination Group was created as a forum to exchange information and foster co-operation across Member States, in particular in the area of security of

Amendment

(28) In 2012, the Electricity Coordination Group was created as a forum to exchange information and foster co-operation across Member States, in particular in the area of security of

supply.²⁹ Through this Regulation, its role is reinforced. It should carry out specific tasks, notably in connection with the preparation of the risk-preparedness plans, and will have a prominent role in monitoring Member States' performance in the area of the security of electricity supply, and developing best practice on this basis.

²⁹ Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (2012/C 353/02), OJ C 353, 17.11.2012, p. 2.

supply.²⁹ Through this Regulation, its role is reinforced. It should carry out specific tasks, notably in connection with the preparation of the risk-preparedness plans, and will have a prominent role in monitoring Member States' performance in the area of the security of electricity supply, and developing best practice on this basis. ***The Commission should take appropriate measures to ensure that the composition of the Electricity Coordination Group is revised to include new stakeholders such as industry, the EU DSO and consumer organisations.***

²⁹ Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (2012/C 353/02), OJ C 353, 17.11.2012, p. 2.

Amendment 16

Proposal for a regulation Recital 29

Text proposed by the Commission

(29) An electricity crisis might extend beyond Union borders comprising also Energy Community countries. In order to ensure an efficient crisis management on borders between the Member States and the Contracting Parties, the Union should closely cooperate with the Energy Community Contracting Parties when preventing, preparing for and handling an electricity crisis.

Amendment

(29) An electricity crisis might extend beyond Union borders comprising also Energy Community countries. ***As Party to the Energy Community Treaty, the Union should promote amendments to that Treaty with the aim of creating an integrated market and a single regulatory space by providing and appropriate and stable regulatory framework.*** In order to ensure an efficient crisis management on borders between the Member States and the contracting Parties ***to the Energy Community Treaty***, the Union should closely cooperate with the Energy Community Contracting Parties when preventing, preparing for and handling an electricity crisis.

Amendment 17

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

This Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity **and** transparency and in full regard for the requirements of a competitive internal market for electricity.

Amendment

This Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency, in full regard for the requirements of a competitive internal market for electricity **and in line with the Union's energy and climate objectives**.

Justification

The broader context should include references to the strategic objectives of the Union in this area.

Amendment 18

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

Text proposed by the Commission

(b) 'electricity crisis' means a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent;

Amendment

(b) 'electricity crisis' means a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent, **based on parameters defined in national and regional crisis scenarios**;

Amendment 19

Proposal for a regulation Article 2 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) '**competent authority**' means a **national governmental authority or a**

regulatory authority designated by a Member State to ensure the implementation of the measures provided for in this Regulation

Justification

A definition of 'competent authority' should be added, in line with the definition used in the Regulation for security of gas supply

Amendment 20

Proposal for a regulation

Article 2 – paragraph 2 – point e

Text proposed by the Commission

(e) 'non-market measure' means any **supply-** or demand-side measure deviating from market rules or commercial agreements, with a view to mitigate an electricity crisis;

Amendment

(e) 'non-market measure' means any **supply-side, network-side** or demand-side measure deviating from market rules or commercial agreements, with a view to mitigate an electricity crisis;

Justification

It is important to include measures applied on network side in this definition, to clearly state that for instance curtailment of available interconnection capacities or already allocated cross-zonal capacity is a non-market based measure and shall be avoided.

Amendment 21

Proposal for a regulation

Article 2 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) 'macro-region' means a group of Member States engaged in a structured macro-regional partnership, pursuant to Article 2(18)(a) of Regulation (EU) ... [proposed Governance of the Energy Union Electricity Regulation].

Amendment 22

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. Member *States* shall notify the Commission *without delay of* the name and the contact details of *the* competent authority, *once designated*.

Amendment

2. *Each* Member *State* shall, *without delay*, notify the Commission, *and make public*, the name and the contact details of *its* competent authority *and any changes thereto*.

Amendment 23

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

Member States shall ensure that all risks relating to security of electricity *supply are* assessed in accordance with the rules set out in this Regulation and Article *18 of the Electricity* Regulation [proposed Electricity Regulation]. To this end, they shall cooperate with *ENTSO-E and* the regional operational centres.

Amendment

Member States shall ensure that all risks relating to security of electricity *supply are* assessed in accordance with the rules set out in this Regulation and *the European resource adequacy assessment set out in Chapter IV of Regulation (EU) ...* [proposed Electricity Regulation]. *Security of electricity supply shall imply effective cooperation amongst relevant stakeholders, Member States, primarily through their competent authorities, the regional coordination centres, and the Commission with the Union's other institutions and bodies, all within their respective areas of activity and competence.* To this end, they shall cooperate with *ENTSO-E and* the regional operational centres, *the transmission system operators, the national regulatory authorities and other relevant stakeholders*.

Amendment 24

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: **two** months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for identifying the most relevant electricity crisis scenarios in a regional context.

Amendment 25

Proposal for a regulation
Article 5 – paragraph 4

Text proposed by the Commission

4. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation exercise involving at least the industry and consumer organisations, distribution system operators, national regulatory authorities **and** other national authorities. ENTSO-E shall duly take into account the **results** of the consultation.

Amendment 26

Proposal for a regulation
Article 5 – paragraph 6

Text proposed by the Commission

6. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1 to 5. The Agency or the Commission may request such updates and improvements with due justification. Within **six** months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of **receiving**

Compromise Amendment

1. By [OPOCE to insert exact date: **four** months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for identifying the most relevant electricity crisis scenarios in a regional context.

Amendment

4. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation exercise involving at least the **regional coordination centres**, industry and consumer organisations, **generators, the transmission system operators, the distribution system operators, the competent authorities, the** national regulatory authorities, other national authorities **and other relevant stakeholders**. ENTSO-E shall duly take into account the **result** of the consultation.

Amendment

6. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1 to 5. The Agency or the Commission may request such updates and improvements with due justification. Within **a period of two** months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two

the draft, the Agency shall **amend or** approve the changes and publish it on its website.

months of **receipt of** the draft, the Agency shall approve **or amend** the changes and publish it on its website.

Amendment 27

Proposal for a regulation Article 6 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: ten months after entry into force of this Regulation] and on the basis of the methodology adopted pursuant to Article 5, ENTSO-E shall identify the most relevant electricity crisis scenarios for each region. It may delegate tasks relating to the identification of regional crisis scenarios to the regional **operational** centres.

Amendment

1. By [OPOCE to insert exact date: ten months after **the date of** entry into force of this Regulation] and on the basis of the methodology adopted pursuant to Article 5, ENTSO-E shall identify, **in close cooperation with the Electricity Coordination Group**, the most relevant electricity crisis scenarios for each region. It may delegate tasks relating to the identification of regional crisis scenarios to the regional **coordination centres. The regional coordination centres shall consult the Electricity Coordination Group for that purpose. When identifying the risk scenarios related to malicious attacks, ENTSO-E and the regional coordination centres shall ensure that the confidentiality of sensitive information is preserved.**

Amendment 28

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: **ten** months after entry into force of this Regulation], Member States shall identify the most relevant electricity crisis scenarios at the national level.

Amendment

1. By [OPOCE to insert exact date: **twelve** months after **the date of** entry into force of this Regulation], Member States shall identify the most relevant electricity crisis scenarios at the national level, **with at least the involvement of the distribution system operators, the transmission system operators and generators, whilst ensuring**

the confidentiality of sensitive information.

Amendment 29

Proposal for a regulation Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a

Guidelines for the prevention and handling of crises

- 1. Taking into account the European adequacy assessment as well as other relevant regulations, the Agency for the Co-operation of Energy Regulators shall draft the Union-wide guidelines for the prevention and handling crises situations, identifying both market and non-market measures and system operational rules. When preparing the guidelines, the Agency shall give preference, as far as possible, to measures that have least impact on the environment.***
- 2. The guidelines shall also include the principles of compensation schemes and principles for identifying protected customers.***
- 3. The Agency shall review and, if necessary, update those solutions every three years, unless circumstances warrant more frequent reviews.***

Justification

The common solutions on how to handle crises should be helpful when drafting national plans. They would ensure coherence among the plans and facilitate agreements among Member States negotiating regional part of their plans. There is a need for EU-level harmonisation of the definition of protected customers in order to ensure protection of the most vulnerable and essential elements of society as well as to facilitate cross-border solidarity measures, as stipulated in Art 14 of this regulation.

Amendment 30

Proposal for a regulation

Article 8 – title

Text proposed by the Commission

Methodology for short-term adequacy assessments

Amendment

Methodology for short-term **and seasonal** adequacy assessments

Amendment 31

Proposal for a regulation

Article 8 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

By [OPOCE to insert exact date: **two** months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for assessing short-term **adequacy, namely seasonal adequacy as well as week-ahead to intraday** adequacy, which shall cover at least the following:

Amendment

By [OPOCE to insert exact date: **four** months after **the date of** entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for assessing short-term **and** seasonal adequacy, which shall cover at least the following:

Amendment 32

Proposal for a regulation

Article 8 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) the uncertainty of inputs such as the probability of a transmission capacity outage, the probability of an unplanned outage of power plants, severe weather conditions, **variability of demand** and variability of energy production from renewable energy sources;

Amendment

(a) the uncertainty of inputs such as the probability of a transmission capacity outage, the probability of an unplanned outage of power plants, severe weather conditions, **variable demand, in particular peaks depending on weather conditions,** and variability of energy production from renewable energy sources;

Amendment 33

Proposal for a regulation

Article 8 – paragraph 1 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) the probability of the occurrence of *a critical situation*;

(b) the probability of the occurrence of *an electricity crisis*;

Justification

Alignment of the text to the definitions provided in Article 2.

Amendment 34

Proposal for a regulation

Article 8 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The methodology shall provide for a probabilistic approach and consider the regional and Union wide context, including to the extent possible non-EU countries within synchronous areas of the Union.

The methodology shall provide for a probabilistic approach and consider the regional and Union wide context, including *the level of interconnection between Member States and* to the extent possible non-EU countries within synchronous areas of the Union.

Amendment 35

Proposal for a regulation

Article 8 – paragraph 2

Text proposed by the Commission

Amendment

2. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation involving at least the industry and consumer, distribution system operators, national regulatory authorities *and* other national authorities. ENTSO-E shall duly take into account the *results* of the consultation.

2. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation involving at least the *regional coordination centres*, industry and consumer *organisations, generators, the transmission system operators and the* distribution system operators, *the competent authorities, the* national regulatory authorities, other national authorities *and relevant stakeholders*. ENTSO-E shall duly take into account the *result* of the consultation.

Amendment 36

Proposal for a regulation

Article 8 – paragraph 4

Text proposed by the Commission

4. ENTSO-E shall update and improve the methodology regularly in accordance with *paragraphs 1 to 3*. The Agency or the Commission may request such updates and improvements with due justification. Within *six* months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of *receiving* the draft, the Agency shall *amend or* approve the changes and publish it on its website.

Amendment

4. ENTSO-E shall update and improve the methodology regularly in accordance with *paragraphs 1, 2 and 3*. The Agency or the Commission may request such updates and improvements with due justification. Within *a period of two* months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of *receipt of* the draft, the Agency shall approve *or amend* the changes and publish it on its website.

Amendment 37

Proposal for a regulation

Article 9 – paragraph 1

Text proposed by the Commission

1. All short-term adequacy assessments shall be carried out according to the methodology developed pursuant to Article 8.

Amendment

1. All short-term adequacy assessments, *whether carried out at national, regional or Union level*, shall be carried out according to the methodology developed pursuant to Article 8.

Justification

Whilst the risk preparedness proposal calls for European-wide and regional assessments of short-term risks, it should be clarified that Member States also maintain the possibility to carry out their own assessments. In fact, according to the System Operation Guidelines (Art. 104), each TSO has to carry out short-term adequacy assessments. This addition also clarifies that all short-term adequacy assessments have to follow the methodology defined according to Art. 8.

Amendment 38

Proposal for a regulation

Article 10 – paragraph 1

Text proposed by the Commission

1. On the basis of the regional and national electricity crisis scenarios identified pursuant to Articles 6 and 7, the competent authority of each Member State shall establish a risk-preparedness plan, after consulting the electricity and gas undertakings, the relevant organisations representing the interests of household and industrial electricity customers and the national regulatory authority (where it is not the competent authority).

Amendment

1. On the basis of the regional and national electricity crisis scenarios identified pursuant to Articles 6 and 7, the competent authority of each Member State shall establish a risk-preparedness plan, after consulting the electricity and gas undertakings, ***transmission system operators and distribution system operators***, the relevant organisations representing the interests of household and industrial electricity customers and the national regulatory authority (where it is not the competent authority). ***The confidentiality of sensitive information relating to the prevention and mitigation of attacks shall be ensured. If a competent authority considers that certain sensitive information is not to be disclosed, it shall provide anon-confidential summary thereof.***

Amendment 39

**Proposal for a regulation
Article 10 – paragraph 7**

Text proposed by the Commission

7. ***The Member States shall make the plans public, while ensuring that the confidentiality of sensitive information is preserved, notably information on measures relating to the prevention and mitigation of malicious attacks.***

Amendment

deleted

Justification

The CZ is aware of the strategic importance and sensitivity of the information regarding energy sector. Safety and protection of information must be considered as a key priority in mitigation of malicious attacks. Extent of published information must be at all times seriously considered in regard to the vulnerability and strategic importance of the energy sector.

Amendment 40

Proposal for a regulation

Article 11 – paragraph 1 – point g

Text proposed by the Commission

(g) identify possible non-market measures to be implemented in electricity crisis situations, specifying the trigger, conditions and procedures for their **implementation**, and indicating how they comply with the requirements set out in Article 15;

Amendment

(g) identify possible non-market measures to be implemented in electricity crisis situations, specifying the trigger, conditions and procedures for their **deployment (including any compensation schemes), assessing the degree to which the use of such measures is necessary in dealing with a crisis** and indicating how they comply with the requirements set out in Article 15;

Amendment 41

Proposal for a regulation

Article 11 – paragraph 1 – point h

Text proposed by the Commission

(h) provide a detailed load shedding plan, stipulating when loads are to be shed, in what circumstances and what values of load are to be shed. The plan shall specify which categories of electricity users are to receive special protection against disconnection, and justify the need for such protection, notably with regard to public safety **and** personal security;

Amendment

(h) provide a detailed load shedding plan, stipulating when loads are to be shed, in what circumstances and what values of load are to be shed. The plan shall specify which categories of electricity users are to receive special protection against disconnection, and justify the need for such protection, notably with regard to public safety, personal security **and the continuity of essential public services**;

Amendment 42

Proposal for a regulation

Article 11 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(ia) describe the national measures necessary to implement and enforce the regional measures agreed on in

accordance with Article 12;

Amendment 43

Proposal for a regulation

Article 11 – paragraph 1 – point i b (new)

Text proposed by the Commission

Amendment

(ib) take into account the environmental impact of the measures established;

Amendment 44

Proposal for a regulation

Article 12 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the designation of a regional crisis *manager* or team;

(a) the designation of a regional crisis *co-ordinator* or team;

Justification

'Co-ordinator' is a better term but its role will need to be defined

Amendment 45

Proposal for a regulation

Article 12 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) measures to mitigate the impact of a crisis including a simultaneous crisis situation. These shall include regional load-shedding plans and technical, legal and financial arrangements regarding mutual assistance to ensure that electricity can be delivered where it is most needed and in an optimal manner. Such arrangements shall set out, inter alia, the trigger for the assistance, the calculation formula or amount, paying and receiving

(c) measures to mitigate the impact of a crisis including a simultaneous crisis situation. These shall include regional load-shedding plans and technical, legal and financial arrangements regarding mutual assistance to ensure that electricity can be delivered where it is most needed and in an optimal manner. Such arrangements shall set out, inter alia, the trigger for the assistance, the calculation formula or amount, paying and receiving

parties and arbitration rules;

parties and arbitration rules. *A mechanism of compensation for affected entities shall also be established in accordance with principles identified pursuant to Article 7a;*

Justification

To avoid disagreements over compensation, the principles of such compensation should be established by a neutral EU level agency – ACER.

Amendment 46

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

2. The regional measures to be included in the plan shall be agreed by the competent authorities of the Member States in the region concerned. At least eight months before the deadline for the adoption or the updating of the plan, the competent authorities shall report *on the agreements reached to the* Electricity Coordination Group. If the competent authorities concerned were not able to reach an agreement, they shall inform the Commission of the reasons for such disagreement. In *such* case the Commission *may request the Agency to facilitate* the conclusion of an agreement *in consultation with ENTSO-E*.

Amendment

2. The regional measures to be included in the plan shall be agreed *upon* by the competent authorities of the Member States in the region concerned, *in consultation with the relevant regional coordination centres, and before their incorporation in the respective national plans. Member States may ask the Commission to exercise an overall facilitating role in the preparation of such an agreement. The Commission may also request the Agency and ENTSO-E to provide technical assistance to the Member States concerned with a view to facilitating an agreement.* At least eight months before the deadline for the adoption or the updating of the plan, the competent authorities shall report *to* Electricity Coordination Group *on the agreements reached, and on any form of macro-regional cooperation, in accordance with Regulation (EU) ... [proposed Governance of the Energy union Regulation]*. If the competent authorities concerned were not able to reach an agreement, they shall inform the Commission of the reasons for such disagreement. In *such a* case the Commission *shall propose a cooperation*

mechanism for the conclusion of an agreement on regional measures.

Amendment 47

Proposal for a regulation Article 12 – paragraph 3

Text proposed by the Commission

3. In cooperation with the regional operational centres and with the involvement of relevant stakeholders, the competent authorities of each region shall carry out annual *crisis* simulations, in particular testing the communication mechanisms referred to in point (b) of paragraph 1.

Amendment

3. In cooperation with the regional operational centres and with the involvement of relevant stakeholders, the competent authorities of each region shall carry out annual *real time response* simulations *of electricity crisis situations*, in particular testing the communication mechanisms referred to in point (b) of paragraph 1.

Justification

This clarification aligns the core text of the proposal with the annex.

Amendment 48

Proposal for a regulation Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Commission role in amending the risk preparedness plans

1. Member States shall submit the adopted plans to the Commission. The Commission may take a decision requiring the measure to be amended or withdrawn where it is:

(a) likely to distort the Union internal market;

(b) not necessary or proportionate to ensure security of supply;

(c) likely to jeopardise the security of supply of other Member States; or

(d) be in the contradiction with the Union's climate policy objectives.

The adopted measure shall enter into force only when it is approved by the Commission or has been amended in accordance with a Commission decision.

Justification

There is a need for a safeguard to ensure that plans agreed do not jeopardise the internal market and security of supply. The Commission should have a mandate to request amendments where necessary.

Amendment 49

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. Where ***necessary and possible*** Member States shall ***offer*** each other ***assistance*** to prevent or mitigate an electricity crisis. Such assistance shall be subject to compensation.

Amendment

2. Where ***requested and technically feasible***, Member States shall ***assist*** each other ***so as*** to prevent or mitigate an electricity crisis. Such assistance shall be subject to compensation ***covering at least the cost of electricity delivered into the territory of the Member State requesting assistance and all other relevant costs incurred when providing assistance, including, if appropriate, assistance prepared without effective activation, and the reimbursement of any compensation resulting from judicial, arbitration or similar proceedings and settlements and related costs of the provided assistance.***

Amendment 50

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. Non-market measures ***may*** be activated in a crisis situation and only ***if*** all options provided by the market have been

Amendment

2. Non-market measures ***shall*** be activated in a crisis situation ***only as a last resort***, and only ***after*** all options provided

exhausted. **They** shall not unduly distort competition and the effective functioning of the electricity market. They shall be **necessary**, proportionate, non-discriminatory and temporary.

by the market have been exhausted, **and when there's ample evidence that the continuation of market activities could lead to the further deterioration of a crisis situation. Those measures** shall not unduly distort competition and the effective functioning of the electricity market. They shall be, proportionate, non-discriminatory and temporary. **All relevant stakeholders shall be immediately informed of any application of non-market measures.**

Amendment 51

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. Transaction curtailment including curtailment of already allocated cross-zonal capacity, limitation of provision of cross-zonal capacity for capacity allocation or limitation of provision of schedules shall only be initiated in compliance with the rules laid down in Article 14(2) of Electricity Regulation [proposed Electricity Regulation] and the rules adopted to specify this provision.

Amendment

3. Transaction curtailment including curtailment of already allocated cross-zonal capacity, limitation of provision of cross-zonal capacity for capacity allocation or limitation of provision of schedules shall only be initiated in compliance with the rules laid down in Article 14(2) of Electricity Regulation [proposed Electricity Regulation], **Article 72 of Commission Regulation(EU) 2015/1222^{1a}** and the rules adopted to specify this provision.

^{1a} Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

Justification

To clarify that also other paragraphs of Article 14 deals with capacity allocation, for instance paragraph 3 stipulates that “The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants”. It is also important to add note to CACM Regulation.

Amendment 52

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

1. As soon as possible and no later than six weeks after **declaring an** electricity crisis situation, the competent authorities concerned, in consultation with their national regulatory authority (where it is not the competent authority) shall provide the Electricity Coordination Group and the Commission with **an** evaluation report.

Amendment

1. As soon as possible and no later than six weeks after **the** electricity crisis situation **has ended**, the competent authorities concerned, in consultation with their national regulatory authority (where it is not the competent authority) shall provide the Electricity Coordination Group and the Commission with **a detailed** evaluation report.

Amendment 53

Proposal for a regulation Article 16 – paragraph 2 – point d

Text proposed by the Commission

(d) an account of the assistance provided to or received from neighbouring Member States and non-EU countries;

Amendment

(d) an account of the assistance **prepared (with or without effective activation)**, provided to or received from neighbouring Member States and non-EU countries;

Amendment 54

Proposal for a regulation Article 16 – paragraph 2 – point e

Text proposed by the Commission

(e) the economic impact of the electricity crisis and the impact of the measures taken on the electricity sector, in particular the volumes of energy non-served **and** the level of manual disconnection (including a comparison between the level of voluntary and forced

Amendment

(e) the economic impact of the electricity crisis and the impact of the measures taken on the electricity sector, in particular the volumes of energy non-served, **the curtailment of available or allocated cross-zonal capacities**, the level of manual demand disconnection

demand disconnection);

(including a comparison between the level of voluntary and forced demand disconnection), **and the measures imposed on stakeholders such as power generators, suppliers and other relevant market participants;**

Amendment 55

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(e a) a thorough justification of the application of non-market measures;

Amendment 56

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(f a) an overview of how the future grid should be designed in order to cope with the consequences resulting from identified electricity crisis situations, and describing the structural weaknesses of the system, in compliance with the principles laid down in Directive (EU) ... [on Common Rules for the Internal Market in Electricity, COM(2016)864] and establishing periodic network development plans [text to be aligned with the relevant provisions in the Market Design directive proposal].

Amendment 57

Proposal for a regulation

Article 16 – paragraph 4

Text proposed by the Commission

Amendment

4. The competent authorities

4. The competent authorities

concerned shall present the results of the evaluation to the Electricity Coordination Group.

concerned shall present the results of the evaluation to the Electricity Coordination Group. ***Those results shall be reflected in the updates of the risk-preparedness plans.***

Amendment 58

Proposal for a regulation Article 19 – paragraph 5

Text proposed by the Commission

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament ***and to the Council.***

Amendment

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament, ***the Council and the Official Journal of the European Union.***

Amendment 59

Proposal for a regulation Annex I – part 3 – subpart 3.1 – point c

Text proposed by the Commission

(c) Describe measures to mitigate electricity crisis situations, notably demand-side and supply-side measures, whilst indicating in which circumstances these measures can be used especially the trigger of each measure. Where non-market measures are considered, they must be duly justified in light of the requirements set forth in Article 15;

Amendment

(c) Describe measures to mitigate electricity crisis situations, notably demand-side, ***network-side*** and supply-side measures, whilst indicating in which circumstances these measures can be used especially the trigger of each measure. Where non-market measures are considered, they must be duly justified in light of the requirements set forth in Article 15;

Amendment 60

Proposal for a regulation Annex I – part 3 – subpart 3.1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) Describe the national measures necessary to implement and enforce the regional measures agreed on in accordance with Article 12.

Amendment 61

Proposal for a regulation

Annex I – part 3 – subpart 3.2 – point b

Text proposed by the Commission

Amendment

(b) Describe agreed measures to be used in simultaneous ***crisis situations***, including the prioritisation of customers and regional load-shedding plans as well as financial arrangements for assistance in order to prevent or mitigate an electricity crisis. When describing such arrangements include elements such as a definition of a trigger of the assistance, calculation formula or amount, paying and receiving parties and the rules for arbitration. Specify when and how the regional load shedding plans shall be triggered;

(b) Describe agreed measures to be used in simultaneous ***crises***, including the prioritisation of customers and regional load-shedding plans as well as financial arrangements for assistance in order to prevent or mitigate an electricity crisis. When describing such arrangements include elements such as a definition of a trigger of the assistance, calculation formula or amount, paying and receiving parties and the rules for arbitration. Specify when and how the regional load shedding plans shall be triggered;

Amendment 62

Proposal for a regulation

Annex I – part 5 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(d a) transmission and distribution system operators.

EXPLANATORY STATEMENT

Of the five dimensions of the Energy Union's strategy, the first aims to strengthen security and solidarity between Member States, and the second envisages a fully-integrated internal energy market. Running contrary to these principles, energy risks are today dealt with almost exclusively by the respective legislations and technical regulations in force in the Member States.

As the absence of EU provisions constitutes a regulatory gap, so electricity crisis – e.g., January 2017 crisis affecting Bulgaria, Greece and Romania – damage the concerned economies, imperil public safety, harm consumers exposed to increased prices, hamper solidarity and cooperation between neighbouring States. In order to fulfil this regulatory gap, the European Union needs to deliver on an ambitious framework for identifying, assessing, preparing, managing, monitoring, and sharing information on electricity crisis.

Considering today's electricity markets and systems, which are increasingly interlinked across borders and increasingly decentralised, the rapporteurs shares the view that a high level of co-operation and co-operation amongst all actors, within Member States and across borders, is needed. The roles and responsibilities of all relevant actors should be clarified, and proper structures must be put in place to guarantee an effective co-operation amongst all involved.

Common methodology and principles

A crucial element to securing regional preparedness in managing electricity crisis is the common methodology for identifying and assessing situations of significant electricity shortage, or impossibility to deliver electricity to end-consumers.

While recalling that Member States maintain the possibility to carry out their own assessments, the rapporteur recommends that these be carried according to a common, regional methodology in order to avoid inconsistencies, redundancies and loopholes. If today risk-preparedness focuses mainly on the adequacy of the available infrastructure, on the other hand a common methodology for identifying and assessing crisis would prospectively allow to tackle the operational issue of crisis prevention and preparation, crisis management and ex-post evaluation.

Solidarity, mutual assistance and market rules

In case of an electricity crisis, the Commission proposes that Member States offer each other assistance in order to prevent or mitigate its effects. The rapporteur strongly shares this view, suggesting that assessments on the feasibility of assisting a neighbouring Member State should be limited to technical aspects, and that the compensation mechanisms be possibly defined ex-ante, or in the early stages of a crisis, so to avoid ex-post disagreements.

At the same time, the rapporteur believes that the Regulation should explicitly state that risk-preparedness plans shall not leave room for market distortion or optimization. To this respect, non-market rules should be deemed admissible only when market rules risk further deteriorating an electricity crisis.

Confidentiality

While the Commission proposal ensures transparency and information-sharing, there is a need to avoid that sensitive information on power system operation, and on risk preparedness plans, be publicly circulated. As the threat of malicious attacks in the energy sector and elsewhere is a fact, indeed, this Regulation shall ensure that confidentiality of the sensitive information be ensured when identifying risks, and preparing, sharing and reviewing the draft plans via the Electricity Coordination Group.

Governance and participation

When the competent authorities concerned are not able to reach an agreement, the draft Regulation suggests that the Commission may request the Agency to facilitate the conclusion of an agreement in consultation with ENTSO-E. Consistent to the Gas SoS regulation, the rapporteur suggests that in these cases the Commission shall be entitled to propose a cooperation mechanism for the conclusion of regional agreement. Cooperation mechanisms cannot impose solutions on the Member States against their will.

The rapporteur considers that since TSOs and DSOs are ultimately liable for the safe and reliable operation of the system, competent authorities should explicitly involve them in the identification, preparation, management, monitoring and ex-post evaluation process. At the same time, the rapporteur suggests that when ACER amends the methodology proposed or updated by ENTSO-E, it shall consult with ENTSO-E before adopting the amended version.

ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur for the opinion. The rapporteur has received input from the following entities or persons in the preparation of [the draft opinion / the opinion, until the adoption thereof in committee]:

Entity and/or person

The rapporteur and his office have received direct inputs from:

ACER - Agency for the Cooperation of Energy Regulators
CEPS - Centre for European Policy Studies
CEZ - České Energetické Závody
E3G — Third Generation Environmentalism
EDSO for Smart Grids
ENEL
ENTSO-E
Eurelectric
European Commission
Finnish Energy
Iberdrola
National Grid
RTE - Réseau de Transport d'Électricité
Snam
Terna

The rapporteur and his office have also consulted with:

AEGE - Asociación de empresas con gran consumo de energía
Association for Heat Supply
Austrian Federal Chamber of Labour
CEDEC
CEEP - Central European Energy Partners
Centrica
CEWEP - Confederation of European Waste-to-Energy Plants
CIA - The Chemical Industries Association
Confindustria
CRE – Romanian Energy Center
Czech Chamber of Commerce
EDF - Électricité de France
EDISON

EirGrid
Elering
Enedis - Électricité Réseau Distribution France
ENGIE
E-ON
EPPSA - European Power Plant Suppliers Association
ESWET - European Suppliers of Waste to Energy Technology
ETP SmartGrids
Eugine
Euracoal
Eurofuel
European Univeristy Instutute - Florence School Of Regulation
Europex
Fortia Energia S.L.
Fortum
Geode
Government of Kingdom of the Netherlands
Government of the Czech Republic
Government of the French Republic
Government of the Kingdom of Norway
Government of the Kingdom of Sweden
Government of the Republic of Latvia
Government of the Republic of Slovakia
Government of the United Kingdom
IEA - The International Energy Agency
Netz Burgenland
Oesterreichs Energie
Permanent Representation of Estonia to the EU
Permanent Representation of Italy to the EU
Polish Electricity Association
Schneider Electric
Stadtwerke München
Svenska kraftnät
Swissgrid
T&D Europe - The European Association of the Electricity Transmission and Distribution Equipment and Services Industry.
Tempus Energy Technology
TenneT
TINETZ - Tiroler Netze
Utilitalia
Verband kommunaler Unternehmen
Verbund

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Risk-preparedness in the electricity sector		
References	COM(2016)0862 – C8-0493/2016 – 2016/0377(COD)		
Date submitted to Parliament	30.11.2016		
Committee responsible Date announced in plenary	ITRE 16.1.2017		
Committees asked for opinions Date announced in plenary	ECON 16.1.2017	ENVI 16.1.2017	IMCO 16.1.2017
Not delivering opinions Date of decision	ECON 15.12.2016	ENVI 31.1.2017	IMCO 25.1.2017
Rapporteurs Date appointed	Flavio Zanonato 2.2.2017		
Discussed in committee	24.4.2017	11.7.2017	12.10.2017
Date adopted	21.2.2018		
Result of final vote	+: -: 0:	55 3 4	
Members present for the final vote	Zigmantas Balčytis, Bendt Bendtsen, Xabier Benito Ziluaga, José Blanco López, Jonathan Bullock, Cristian-Silviu Buşoi, Jerzy Buzek, Angelo Ciocca, Edward Czesak, Jakop Dalunde, Pilar del Castillo Vera, Christian Ehler, Fredrick Federley, Ashley Fox, Adam Gierek, Theresa Griffin, András Gyürk, Rebecca Harms, Hans-Olaf Henkel, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Jeppe Kofod, Peter Kouroumbashev, Zdzisław Krasnodębski, Miapetra Kumpula-Natri, Christelle Lechevalier, Janusz Lewandowski, Paloma López Bermejo, Edouard Martin, Nadine Morano, Dan Nica, Angelika Niebler, Morten Helveg Petersen, Miroslav Poche, Paul Rübig, Massimiliano Salini, Algirdas Saudargas, Sven Schulze, Neoklis Sylikiotis, Dario Tamburrano, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Vladimir Urutchev, Kathleen Van Brempt, Henna Virkkunen, Martina Werner, Lieve Wierinck, Hermann Winkler, Anna Záborská, Flavio Zanonato, Carlos Zorrinho		
Substitutes present for the final vote	Cornelia Ernst, Gerben-Jan Gerbrandy, Françoise Grossetête, Werner Langen, Florent Marcellesi, Dominique Riquet, Davor Škrlec		
Substitutes under Rule 200(2) present for the final vote	Jan Keller		
Date tabled	26.2.2018		

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

55	+
ALDE	Fredrick Federley, Gerben-Jan Gerbrandy, Kaja Kallas, Morten Helveg Petersen, Dominique Riquet, Lieve Wierinck
ECR	Ashley Fox, Hans-Olaf Henkel, Evžen Tošenovský
EFDD	Dario Tamburrano
ENF	Angelo Ciocca, Barbara Kappel, Christelle Lechevalier
PPE	Bendt Bendtsen, Jerzy Buzek, Cristian-Silviu Buşoi, Christian Ehler, Françoise Grossetête, András Gyürk, Krišjānis Kariņš, Werner Langen, Janusz Lewandowski, Nadine Morano, Angelika Niebler, Paul Rübig, Massimiliano Salini, Algirdas Saudargas, Sven Schulze, Vladimir Urutchev, Henna Virkkunen, Hermann Winkler, Anna Záborská, Pilar del Castillo Vera
S&D	Zigmantas Balčytis, José Blanco López, Adam Gierek, Theresa Griffin, Eva Kaili, Jan Keller, Jeppe Kofod, Peter Kouroumbashev, Miapetra Kumpula-Natri, Edouard Martin, Dan Nica, Miroslav Poche, Patrizia Toia, Kathleen Van Brempt, Martina Werner, Flavio Zanonato, Carlos Zorrinho
VERT/ALE	Jakop Dalunde, Rebecca Harms, Florent Marcellesi, Claude Turmes, Davor Škrlec

3	-
ECR	Edward Czesak, Zdzisław Krasnodębski
EFDD	Jonathan Bullock

4	0
GUE/NGL	Xabier Benito Ziluaga, Cornelia Ernst, Paloma López Bermejo, Neoklis Sylikiotis

Key to symbols:

+ : in favour

- : against

0 : abstention