



07.12.2017

OPINION

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

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council
on the internal market for electricity (recast)
(COM(2016)0861 – C8-0492/2016 – 2016/0379(COD))

Rapporteur: Ivo Belet

PA_Legam

SHORT JUSTIFICATION

Overall, the Rapporteur welcomes the European Commission's priorities for the clean energy package: energy efficiency first, EU's global leadership in renewables and a fair deal for energy consumers.

The proposal for a regulation is aimed at establishing an integrated energy market that provides several benefits including the integration and development of large volumes of electricity produced from renewable sources in a cost efficient manner and further energy saving thanks to a more transparent pricing.

General rules

EU legislation must find the right balance between market-based approaches and effective regulation. Market corrections could be needed to overcome market failures and to achieve objectives of general social and economic interest. The right balance is needed in order to deliver the energy transition at the lowest societal cost.

Priority dispatch

If we want to maintain the EU's global leadership in renewables, it might be premature, as long as wholesale markets still show distortions, to foresee the end of priority grid access and priority dispatch for renewable power plants. Rules regarding the removal of priority dispatch and curtailment need to be carefully assessed.

Network charges and congestion income

Redesign of network tariffs should be handled with care. When trying to better reflect the real use of the grid, solidarity issues must not be side-lined.

The proposed review limits the use of congestion revenues to costs related to the actual availability of capacity and costs for interconnection capacities. Especially when interconnection targets are reached, it should remain an option that congestion income flows back to the grid users to ensure public acceptance.

Resource adequacy

The Rapporteur welcomes the formalisation of a coordinated European resource adequacy methodology as a necessary step in order to ensure comparable assessments.

Nevertheless, further attention is needed to achieve the right balance between the European level at the one hand and the regional and national level at the other hand. Therefore, the coordinated European resource adequacy assessment should be complemented by assessments focussing at national or regional level (including more granularity, more sensitivities, local situations, etc...).

In order to ensure security of supply at the lowest cost for consumers, reasons to introduce capacity mechanisms should be properly scrutinised. Costs of capacity mechanisms and their impact on consumers' bills should be carefully assessed. Capacity mechanisms should be established on the basis of transparent criteria that include flexibility and should not run counter to the EU's climate and energy targets. Capacity mechanisms should only be a temporary

measure of last resort, limited in time and accompanied by a clear exit strategy.

Transmission system operation

To successfully integrate the different national energy markets, the Rapporteur considers that efficient coordination of the European power system is needed. Regional coordination between TSOs is a key building block in the achievement of the Energy Union. Recently this has become mandatory through different EU Regulations (network codes and guidelines). Further transfer of tasks and widening of the regional base for cooperation within regional cooperation centres, is certainly needed, but it is questionable whether this can be successfully realised top down. The legislative framework should promote elaborating the European dimension of transmission operation bottom-up.

AMENDMENTS

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

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The Energy Union aims at providing consumers – household and business – secure, sustainable, competitive and affordable energy. Historically, the electricity system was dominated by vertically integrated, often publicly owned, monopolies with large centralised nuclear or fossil fuel power plants. The internal market in electricity, which has been progressively implemented since 1999, aims to deliver a real choice for all consumers in the Union, both citizens and businesses, new business opportunities and **more** cross-border trade, so as to achieve efficiency gains, competitive prices and higher standards of service, and to contribute to security of supply and sustainability. The internal market in electricity has increased competition, in particular at the wholesale level, and cross-border trade. It remains the foundation of an efficient energy market.

Amendment

(2) The Energy Union aims at providing consumers – household and business – secure, sustainable, competitive and affordable energy. Historically, the electricity system was dominated by vertically integrated, often publicly owned, monopolies with large centralised nuclear or fossil fuel power plants. The internal market in electricity, which has been progressively implemented since 1999, aims to deliver a real choice for all consumers in the Union, both citizens and businesses, **open up** new business opportunities **for undertakings, encourage cooperative ‘citizens’ energy’ models with regional value added** and **boost** cross-border trade, so as to achieve efficiency gains, competitive prices and higher standards of service, and to contribute to security of supply and sustainability. The internal market in electricity has increased competition, in particular at the wholesale level, and cross-border trade. It remains the

foundation of an efficient energy market.

Justification

The amendment is in line with the aims of the Commission's proposal for recast.

Amendment 2

Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The 'energy efficiency first' principle plays an important role in designing the electricity market. By fostering a level playing field for demand side solutions, including demand response and energy efficiency improvements, it makes sure that the market can be effective in delivering the objectives of the Energy Union and the climate and energy framework 2030.

Amendment 3

Proposal for a regulation Recital 5

Text proposed by the Commission

Amendment

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

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

Amendment 4

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) More market integration and the change towards a more volatile electricity production requires increased efforts to coordinate national energy policies with neighbours and to use the opportunities of cross-border electricity trade.

Amendment

(6) More market integration and the change towards a more ***distributed and*** volatile electricity production requires increased efforts to coordinate national energy policies with neighbours and to use the opportunities of cross-border electricity trade.

Amendment 5

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Core market principles should set out that electricity prices are to be determined through demand and supply. Those prices should signal when electricity is needed, providing market-based incentives for investments into flexibility sources such as flexible generation, interconnection, demand response or storage.

Amendment

(8) Core market principles should set out that electricity prices are to be determined through demand and supply. ***While respecting the principles of solidarity and fair distribution of costs,*** those prices should signal when electricity is needed, providing market-based incentives for investments into flexibility sources such as flexible generation, interconnection, demand response or storage.

Amendment 6

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) The decarbonisation of the electricity sector, with renewable energy becoming a major part of the market, is a core objective of the Energy Union. As the Union moves towards the decarbonisation of the electricity sector and increasing

Amendment

(9) The decarbonisation of the electricity sector, with renewable energy becoming a major part of the market, is a core objective of the Energy Union. As the Union moves towards the decarbonisation of the electricity sector and increasing

penetration of renewable energy sources, it is crucial that the market removes existing barriers to cross-border trade and encourages investments into supporting infrastructure, for example, more flexible generation, interconnection, demand response and storage. To support this shift to variable and distributed generation, and to ensure that energy market principles are the basis for the Union's electricity markets of the future, a renewed focus on short-term markets and scarcity pricing is essential.

penetration of renewable energy sources, it is crucial that the market removes existing barriers to cross-border trade and encourages investments into supporting infrastructure, for example, more flexible generation, interconnection, demand response and storage. To support *the roll-out of energy storage solutions, Member States should take steps to remove out dated taxation provisions that lead to double-taxation. To support* this shift to variable and distributed generation, and to ensure that energy market principles are the basis for the Union's electricity markets of the future, a renewed focus on short-term markets and scarcity pricing is essential.

Justification

The efficient rollout of energy storage has been hampered by tax code provisions that lead to double-taxation. Member States should therefore take steps to remove these barriers.

Amendment 7

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same

Amendment

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same

time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable *and* stable prices for final customers, in particular households and SMEs.

time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable stable *and affordable* prices for final customers, in particular households and SMEs.

Amendment 8

Proposal for a regulation

Recital 12

Text proposed by the Commission

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

Amendment

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

Justification

The amendment is in line with the aims of the Commission's proposal for recast.

Amendment 9

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) To efficiently steer necessary investments, prices also need to provide signals where electricity is most needed. In a zonal electricity system, correct locational signals require a coherent, objective and reliable determination of bidding zones via a transparent process. In order to ensure efficient operation and planning of the Union electricity network and to provide effective price signals for new generation capacity, demand response or transmission infrastructure, bidding

Amendment

(14) To efficiently steer necessary investments, prices also need to provide signals where electricity is most needed. In a zonal electricity system, correct locational signals require a coherent, objective and reliable determination of bidding zones via a transparent process. In order to ensure efficient operation and planning of the Union electricity network and to provide effective price signals for new generation capacity, demand response, *energy storage* or transmission

zones should reflect structural congestion. In particular, cross-zonal capacity should not be reduced in order to resolve internal congestion.

infrastructure, bidding zones should reflect structural congestion. In particular, cross-zonal capacity should not be reduced in order to resolve internal congestion.

Justification

Ensures that energy storage is recognised as a new energy asset class in EU law.

Amendment 10

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) Efficient decarbonisation of the electricity system via market integration requires systematically abolishing barriers to cross-border trade to overcome market fragmentation and to allow Union energy customers to fully benefit from the advantages of integrated electricity markets and competition.

Amendment

(15) Efficient decarbonisation of the electricity system **by 2050** via market integration requires systematically abolishing barriers to cross-border trade to overcome market fragmentation and to allow Union energy customers to fully benefit from the advantages of integrated electricity markets and competition. ***It also needs to provide for a fair transition for coal mining regions and for those parts of the electricity market that are still largely based on electricity production from coal, as their decommissioning necessary in the framework of the transition to a flexible and sustainable energy system enabling the Union to meet the Paris Agreement will have to address the numerous economical and social challenges.***

Justification

Decarbonisation needs to be inclusive, just and agreed by all stakeholders and consider societal, economic and environmental impacts, as well as sustainable labour alternatives, especially when the phase-out is linked to the closure of mining activities. A preparatory action on the establishment of a coal platform dialogue to discuss aspects of governance, just transition and decommissioning is about to start and EU Electricity Market rules should be in line with those activities.

Amendment 11

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Priority dispatch for generating installations using variable renewable energy sources should be recognised for its role in supporting the Union to meet its targets for the use of energy from renewable sources and reduction of greenhouse gas emissions.

Amendment 12

Proposal for a regulation

Recital 26

Text proposed by the Commission

Amendment

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

(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. ***That assessment should be complemented by more granular assessments at the level of bidding zones, Member States and regions.*** The resource adequacy concern that capacity mechanisms address should be based on ***those assessments***.

Amendment 13

Proposal for a regulation

Recital 27

Text proposed by the Commission

Amendment

(27) The medium to long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016) 862]. Medium- to long-term assessments are mainly used to assess the need for capacity

(27) The medium to long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016) 862]. Medium- to long-term assessments are mainly used to assess the need for capacity

mechanisms whereas seasonal outlooks are used to alert to risks that might occur in the following six months that are likely to result in a significant deterioration of the electricity supply situation. In addition, **Regional Operational Centres** also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.

mechanisms whereas seasonal outlooks are used to alert to risks that might occur in the following six months that are likely to result in a significant deterioration of the electricity supply situation. In addition, **regional coordination centres** also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.

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

Amendment 14

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Prior to introducing capacity mechanisms, Member States should assess regulatory distortions contributing to the related resource adequacy concern. They should be required to adopt measures to eliminate the identified distortions including a timeline for their implementation. Capacity mechanisms should only be introduced for the residual concerns that cannot be addressed through removing such distortions.

Amendment

(28) Prior to introducing capacity mechanisms, Member States should assess regulatory distortions contributing to the related resource adequacy concern. They should be required to adopt measures to eliminate the identified distortions including a timeline for their implementation. Capacity mechanisms should only be introduced for the residual concerns, **such as security of energy supplies**, that cannot be addressed through removing such distortions.

Amendment 15

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than **reserve**

Amendment

(31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than **strategic**

schemes should be laid down.

Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.

reserves should be laid down.

Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.

Amendment 16

Proposal for a regulation

Recital 32

Text proposed by the Commission

(32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by strengthening the decision-making power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.

Amendment

(32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best **and the most cost-effective** approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by strengthening the decision-making power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.

Amendment 17

Proposal for a regulation

Recital 35

Text proposed by the Commission

(35) Regional **operational** centres

Amendment

(35) Regional **coordination** centres

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

Amendment 18

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) Regional **operational** centres should primarily act in the interest of system and market operation of the region over the interests of any single entity. Hence, regional **operational** centres should **be entrusted with decision-making powers to act and to direct actions to be taken by transmission system operators of the system operation region for certain functions and with an enhanced advisory role for the remaining functions**.

Amendment 19

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) In order to raise efficiencies in the electricity distribution networks in the Union and ensure close cooperation with transmission system operators and ENTSO for electricity, a European entity of distribution system operators in the Union ("EU DSO entity") should be established. The tasks of the EU DSO entity should be

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

Amendment

(36) Regional **coordination** centres should primarily act in the interest of system and market operation of the region over the interests of any single entity. Hence, regional **coordination** centres should **have an enhanced advisory role by means of their ability to issue recommendations**.

Amendment

(38) In order to raise efficiencies in the electricity distribution networks in the Union and ensure close cooperation with transmission system operators and ENTSO for electricity, a European entity of distribution system operators in the Union ("EU DSO entity") should be established. The tasks of the EU DSO entity should be

well-defined and its working method should ensure efficiency, transparency and representativeness amongst the Union distribution system operators. The EU DSO Entity should closely cooperate with ENTSO for Electricity on the preparation and implementation of the network codes where applicable and should work on providing guidance on the integration inter alia of distributed generation and storage in distribution networks or other areas which relate to the management of distribution networks.

well-defined and its working method should ensure **independence, neutrality**, efficiency, transparency and representativeness amongst the Union distribution system operators, **respecting regional specificities of distribution networks**. The EU DSO Entity should closely cooperate with ENTSO for Electricity on the preparation and implementation of the network codes where applicable and should work on providing guidance on the integration inter alia of distributed generation and storage in distribution networks or other areas which relate to the management of distribution networks.

Justification

Distribution networks across Europe vary to a great extent: from voltage level, topology, natural profile of given area to consumption patterns of users. These specificities have to be taken into account in an operation of EU DSO entity.

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point a

Text proposed by the Commission

(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030³⁰ by enabling market signals to be delivered for increased flexibility, **decarbonisation** and innovation;

³⁰ COM/2014/015 final.

Amendment

(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030³⁰ by enabling market signals to be delivered for increased flexibility, **energy efficiency** and innovation, **also taking account of the role of interconnectors and the growing share of renewables for the transition to a sustainable energy system**;

³⁰ COM/2014/015 final.

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

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

Amendment 22

Proposal for a regulation

Article 2 – paragraph 2 – point c

Text proposed by the Commission

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

Amendment

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

Justification

Original definition would stipulate that congestions may occur only between two bidding zones and not within bidding zone. Amendment is also necessary to align with definition of bidding zone.

Amendment 23

Proposal for a regulation

Article 2 – paragraph 2 – point u

Text proposed by the Commission

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

Amendment

(u) 'capacity mechanism' means an administrative measure to ensure the achievement of the ***necessary*** level of security of supply by remunerating resources for their availability not including measures relating to ancillary services, ***adopted in accordance with this Regulation, with the State aid rules and with the principles of necessity, proportionality and non-discrimination;***

Amendment 24

Proposal for a regulation

Article 2 – paragraph 2 – point v

Text proposed by the Commission

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

Amendment

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

Amendment 25

Proposal for a regulation

Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) prices shall ***be formed based on*** demand and supply;

Amendment

(a) prices shall ***in general reflect*** demand and supply;

Amendment 26

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

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

(b) actions which prevent price formation on the basis of demand and supply ***shall be avoided unless they aim to establish solidarity and fair distribution of costs and take energy poor consumers sufficiently into account;***

Amendment 27

Proposal for a regulation

Article 3 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

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

Amendment 28

Proposal for a regulation

Article 3 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) market players shall be required to assess the risk of detriment that new products and services present to household customers and to tailor their offers accordingly;

Amendment 29

Proposal for a regulation

Article 3 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) national regulatory authorities shall monitor the market developments and modify protections as required;

Amendment 30

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

Text proposed by the Commission

(d) market participation of consumers and small businesses shall be enabled by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;

Amendment

(d) market participation of consumers and small businesses shall be enabled ***individually, collectively, through participation in a local energy community, and encouraged*** by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;

Justification

General principles for the EU's electricity market should provide a basis for acknowledging and encouraging all forms of active participation by consumers, not just through aggregation.

Amendment 31

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

Text proposed by the Commission

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

Amendment

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

Amendment 32

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

Text proposed by the Commission

(f) market rules shall ***deliver*** appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and

Amendment

(f) market rules shall ***aim to deliver*** appropriate investment incentives for ***generation, in particular long-term investments in low-carbon*** generation,

thus ensure security of supply;

storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;

Amendment 33

Proposal for a regulation

Article 3 – paragraph 1 – point g

Text proposed by the Commission

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

Amendment

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

Amendment 34

Proposal for a regulation

Article 3 – paragraph 1 – point i

Text proposed by the Commission

(i) all generation, storage and demand resources shall participate on equal footing in the market;

Amendment

(i) all generation, storage and demand resources shall participate on equal footing in the market ***in a way that accounts for the benefits and costs each provide to the environment and the system, their sustainability, and their contributions to the decarbonisation objectives set in the 2015 Paris Agreement and Directive (EU) .../... [Renewable Energy Directive]***;

Amendment 35

Proposal for a regulation

Article 3 – paragraph 1 – point m

Text proposed by the Commission

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

Amendment

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

their operations;

Justification

As storage is defined as a separate activity in the electricity system, storage undertakings need to be able to make market entry or exit decisions on the same basis as other market players.

Amendment 36

Proposal for a regulation
Article 3 a (new)

Text proposed by the Commission

Amendment

Article 3a

Fair transition

The Commission shall support Member States that put in place a national strategy for the progressive reduction of installed coal-fired generating and mining capacity through all available means, including targeted financial support to enable a “fair transition” in regions affected by structural change. The Commission shall assist Member States in addressing the social, skills and industrial impact of the clean energy transition. The Commission shall work in close partnership with actors in coal and carbon-intensive regions, provide guidance, in particular with regard to access to and use of available funds and programmes, and encourage exchange of good practices, including discussions on industrial roadmaps and re-skilling needs, through targeted platforms including through the fair transition initiative for workers and communities established in Regulation (EU) .../... [Governance Regulation].

Amendment 37

Proposal for a regulation
Article 4 – paragraph 1

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Text proposed by the Commission

1. All market participants shall aim for system balance and shall be financially responsible for imbalances they cause in the system. They shall either be balance responsible parties or delegate their responsibility to a balance responsible party of their choice.

Amendment

1. All market participants shall aim for system balance and shall be financially responsible for imbalances they cause in the system ***on condition that all market participants have access to balance and intra-day markets in accordance with Articles 5 and 6***. They shall either be balance responsible parties or delegate their responsibility to a balance responsible party of their choice.

Amendment 38

Proposal for a regulation

Article 4 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States may provide for derogation from balance responsibility in respect of:

Amendment

2. Member States may, ***after consulting distribution system operators,*** provide for a derogation from the financial consequences of balance responsibility in respect of

Amendment 39

Proposal for a regulation

Article 4 – paragraph 2 – point a

Text proposed by the Commission

(a) demonstration projects;

Amendment

deleted

Amendment 40

Proposal for a regulation

Article 4 – paragraph 2 – point c

Text proposed by the Commission

(c) installations benefitting from support approved by the Commission under Union State aid rules pursuant to Articles 107, 108 to 109 TFEU, and

Amendment

(c) installations benefitting from support approved by the Commission under Union State aid rules pursuant to Articles 107, 108 and 109 TFEU, and

commissioned prior to [OP: entry into force]. Member States may, subject to Union state aid rules, *incentivize* market participants which *are fully or partly exempted from balancing responsibility* to accept full balancing responsibility against appropriate compensation.

commissioned before [OP: entry into force]. Member States may, subject to Union state aid rules, *provide incentives to* market participants which *have a full or partial exempting relating to the financial consequences of balance responsibility* to accept full balance responsibility against appropriate compensation.

Amendment 41

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 42

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants. *Balancing markets shall be designed to allow for maximum participation of renewables sources, including in particular small decentralised and distributed generation. Balancing market rules shall ensure that energy communities have a proportionate and simple access to the market.*

Amendment 43

Proposal for a regulation

Article 5 – paragraph 7

Text proposed by the Commission

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

Amendment

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

Amendment 44

Proposal for a regulation

Article 5 – paragraph 8

Text proposed by the Commission

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

Amendment

8. The procurement of balancing capacity shall be facilitated on a regional level in accordance with point 8 of Annex I. The procurement shall be based on a primary market and be non-discriminatory between market participants in the prequalification process **including in particular where participation takes place** individually or through aggregation.

Amendment 45

Proposal for a regulation

Article 5 – paragraph 9

Text proposed by the Commission

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

Amendment

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

have a maximum of one day.

have a maximum of one day. ***In accordance with Article 34(6) and Article 36(10) of the balancing guidelines, each transmission system operator may submit a proposal to the competent regulatory authority requesting the exemption to the procurement rules according to this paragraph.***

Those requests for exemption shall include:

- (a) specification of the time period during which the exemption would apply;***
- (b) specification of the volume of balancing capacity for which the exemption would apply;***
- (c) analysis of the impact of such an exemption on the participation of balancing resources; and***
- (d) justification for the exemption demonstrating that such an exemption would lead to higher economic efficiency.***

Amendment 46

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

Amendment

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

(a) be non-discriminatory;

Justification

The principle of non-discrimination in day-ahead and intraday markets should have legal effect without any additional action from Member States.

Amendment 47

Proposal for a regulation

Article 7 – paragraph 3

Text proposed by the Commission

Amendment

3. Market operators shall provide products for trading in day-ahead and

3. Market operators shall provide products for trading in day-ahead and

intraday markets which are sufficiently small in size, with minimum bid sizes of 1 Megawatt or less, to allow for the effective participation of demand-side response, energy storage and small-scale renewables.

intraday markets which are sufficiently small in size, with minimum bid sizes of 1 Megawatt or less, to allow for the **effective participation** of demand-side response, energy storage and small-scale renewables, **including for energy communities through proportionate and simple access.**

Amendment 48

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

1. There shall be no maximum limit of the wholesale electricity price unless it is set at the value of lost load as determined in accordance with Article 10. There shall be no minimum limit of the wholesale electricity price unless it is set at a value of minus 2000 € or less and, in the event that it is or anticipated to be reached, set at a lower value for the following day. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.

Amendment

1. There shall be no maximum limit of the wholesale electricity price unless it is set at the value of lost load as determined in accordance with Article 10. ***In strongly interconnected markets, those maximum limits shall be set at the same level among all bidding zones and markets to avoid market distortions.*** There shall be no minimum limit of the wholesale electricity price unless it is set at a value of minus 2000 € or less and, in the event that it is or anticipated to be reached, set at a lower value for the following day. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.

Justification

In strongly interconnected markets a uniform technical price limit should be ensured. Without such uniform limits, inefficiencies could occur at times of scarcity as market participants would be artificially constrained in cross-border competition for energy by differences in the ability to price bids.

Amendment 49

Proposal for a regulation Article 11 – paragraph 2

Text proposed by the Commission

2. When dispatching electricity generating installations, transmission

Amendment

2. When dispatching electricity generating installations, transmission **and**

system operators shall give priority to **generating** installations using renewable energy sources or high-efficiency cogeneration from small generating installations or generating installations using emerging technologies to the following extent:

- (a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW; or
- (b) demonstration projects for innovative technologies.

Amendment 50

Proposal for a regulation Article 11 – paragraph 4

Text proposed by the Commission

4. **Generating** installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council¹ shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.

¹. Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and

distribution system operators shall give priority to **generating and storage** installations using renewable energy sources or high-efficiency cogeneration from small generating installations or generating installations using emerging technologies to the following extent:

- (a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW; or
- (b) demonstration projects for innovative technologies.

Amendment

4. **In order to maintain a stable regulatory framework for investors,** generating **or storage** installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council¹ shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating **or storage** installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation **or storage** capacity is increased.

¹. Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and

amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

Amendment 51

Proposal for a regulation

Article 11 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Member States may, subject to Union State aid rules, provide market participants with incentives, which are subject to priority access to opt out of priority dispatch against appropriate compensation.

Amendment 52

Proposal for a regulation

Article 11 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Member States shall comply with the provisions of this article through the reporting process on the internal energy market as provided in Article [21] of Regulation (EU) .../... [Governance Regulation].

Prior to the removal of priority dispatch as per paragraphs 2 and 3, Member States shall, in particular, ensure that all markets are fully opened, including all ancillary services, to the participation of renewable energy sources, that dispatching rules are fully transparent and market-based, a transparent methodology related to the curtailment rules has been established and that the removal of priority dispatch for generating installations using renewable energy sources would not undermine their contribution to:

(a) the EU target for 2030, as provided in the Directive on the promotion of the use of energy from renewable sources;

(b) the reduction of the overall greenhouse gas emissions of the Union by at least 40% below 1990 levels by 2030, as provided in the intended nationally determined reduction commitment of the Union and its Member States submitted to the Secretariat of the United Nations Framework Convention on Climate Change.

Amendment 53

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

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

Amendment

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

Amendment 54

Proposal for a regulation Article 12 – paragraph 3

Text proposed by the Commission

3. The responsible system operators shall report at least once per year to the competent regulatory authority ***on curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration and on measures taken to reduce the need for such curtailment or downward redispatching in the future. Curtailment or redispatching of generating installations using renewable energy sources or high-efficiency cogeneration shall be subject to compensation pursuant to paragraph 6.***

Amendment

3. The responsible system operators shall report at least once per year to the competent regulatory authority ***and ACER***

- ***on the level of development and effectiveness of market-based curtailment or redispatching of generating, energy storage or demand-response installations;***

- ***on the reasons, volumes and types of technologies subject to curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration;***

- ***on measures taken to reduce the need of curtailment or downwards dispatching; and***

- ***on requests and contractual arrangements made with generating units for them to operate at a certain level of electricity infeed; system operators shall justify the necessity of such arrangements, and in what extent these services could not be provided by other resources; setting out whether this was in line with the least cost delivery of Union-wide targets.***

Regulators shall assess market interest at annually.

Curtailment or redispatching of

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

Amendment 55

Proposal for a regulation

Article 12 – paragraph 4 – point a

Text proposed by the Commission

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

Amendment

(a) guarantee the capability of transmission and distribution networks to transmit electricity produced *or stored* from renewable energy sources or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where this is shown to be more economically efficient and does not exceed 5 % of installed *or stored* capacities using renewable energy sources, *demand response* or high-efficiency cogeneration *at the connection point, provided that an appropriate consultation of stakeholders is carried out before its approval*;

Amendment 56

Proposal for a regulation

Article 12 – paragraph 4 – point b

Text proposed by the Commission

(b) *take appropriate grid and market-related operational measures in order to minimise the curtailment or downward redispatching of electricity produced from renewable energy sources or high-efficiency cogeneration.*

Amendment

(b) *ensure that their networks are sufficiently flexible such that they are in a position to manage their networks as set out in Article [51] of Directive .../... [Electricity Directive].*

Amendment 57

Proposal for a regulation

Article 12 – paragraph 4 – point b a (new)

(ba) take appropriate grid and market-related operational measures in order to efficiently accommodate all electricity produced from renewable energy sources or high-efficiency cogeneration and minimise their curtailment or downward redispatching.

Amendment 58

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

Text proposed by the Commission

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

Amendment

(b) generating installations using high-efficiency cogeneration and, in particular, where:

(i) the primary purpose of those generating installations is to produce heat for production processes of the industrial site concerned;

(ii) heat and power-generating is inextricably interlinked, in a way that any change of heat generation results inadvertently in a change of active power generating and vice versa;

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

Amendment 59

Proposal for a regulation

Article 12 – paragraph 5 – point c

Text proposed by the Commission

(c) self-generated electricity from generating installations using renewable energy *sources* or high-efficiency cogeneration which is ***not fed into the transmission or distribution network*** shall not be curtailed unless no ***other solution would resolve network security issues***;

Amendment

(c) self-generated electricity from generating installations using renewable energy sources or high-efficiency cogeneration which is ***primarily intended for self-consumption*** shall not be curtailed unless no ***alternative exists or if other solutions would result in disproportionate risks to network security***;

Amendment 60

Proposal for a regulation

Article 12 – paragraph 5 – point d

Text proposed by the Commission

(d) downward redispatching or curtailment under ***letters*** a to c shall be duly and transparently justified. The justification shall be included in the report under paragraph 3.

Amendment

(d) downward redispatching or curtailment under ***points*** a to c ***above*** shall be duly and transparently justified. The justification shall be included in the report under paragraph 3.

Amendment 61

Proposal for a regulation

Article 12 – paragraph 6

Text proposed by the Commission

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

(a) additional operating cost caused by the curtailment or redispatching, such as additional fuel costs in case of upward

Amendment

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

(a) additional operating cost caused by the curtailment or redispatching, such as additional fuel costs in case of upward

redispatching, or backup heat provision in case of downward redispatching or curtailment of generating installations using high efficiency cogeneration;

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

redispatching, or backup heat provision in case of downward redispatching or curtailment of generating installations using high efficiency cogeneration;

(b) **100 %** of the net revenues from the sale of electricity on the day-ahead market that the generating, *energy storage* or demand facility would have generated without the curtailment or redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues. ***The full compensation shall be settled within a reasonable timeframe after the curtailment has occurred.***

Amendment 62

Proposal for a regulation

Article 12 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. Member States shall ensure that the information reported under paragraph 3 is reflected through the national reporting process on the internal energy market, as provided for in Article [21] of Regulation .../... [Governance Regulation].

Justification

Reporting procedures should be streamline under the Governance regulation to reduce administrative burden.

Amendment 63

Proposal for a regulation

Article 12 – paragraph 6 b (new)

Text proposed by the Commission

Amendment

6b. Where applicable, transmission system operators of different Member States shall agree on a fair repartition of the costs of cross-border redispatching

and counter-trading.

Justification

The provisions of this Article shall also include arrangements for cross-border redispatching and counter-trading across national borders and this logically follow from earlier paragraphs of this Article.

Amendment 64

Proposal for a regulation
Article 14 – paragraph 1

Text proposed by the Commission

1. Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in Regulation (EU) 1222/2015.

Amendment

1. Network congestion problems shall be addressed with non-discriminatory market-based ***solutions including energy efficiency and demand-side management*** solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in Regulation (EU) ***No*** 1222/2015.

Justification

In line with the provisions on energy efficiency and demand response of Articles 3 (1 e,f), 16 (2,8), 18 (3), 19 (4b), 25 (2) and 55 (1,1), the logic of the regulation has to be also applied to congestion management.

Amendment 65

Proposal for a regulation
Article 14 – paragraph 3

Text proposed by the Commission

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

Amendment 66

**Proposal for a regulation
Article 16 – paragraph 1**

Text proposed by the Commission

1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. In particular, they shall be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage and shall not create disincentives for participation in demand response

Amendment

3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to **guarantee the firmness of the exchange scheduled in case of reductions of the available net transfer capacity due to system security reasons.**

Amendment

1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. In particular, they shall be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage, **specifically not double charging energy storage, and aggregation** and shall not create disincentives **for self-generation, self-consumption, nor** for participation in demand response. **Without prejudice to paragraph 3, those charges shall not be**

distance-related.

Amendment 67

Proposal for a regulation Article 16 – paragraph 2

Text proposed by the Commission

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

Amendment

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

Amendment 68

Proposal for a regulation Article 16 – paragraph 7

Text proposed by the Commission

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

Amendment

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

Amendment 69

Proposal for a regulation Article 16 – paragraph 8

Text proposed by the Commission

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

Amendment

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

Amendment 70

Proposal for a regulation

Article 16 – paragraph 9 – point d a (new)

Text proposed by the Commission

Amendment

(da) the removal of incentives which are detrimental to energy efficiency and demand-side management;

Amendment 71

Proposal for a regulation

Article 16 – paragraph 9 – point f a (new)

Text proposed by the Commission

Amendment

(fa) methods to calculate the benefits of self-consumption, decentralised generation, storage and demand response, as well as their complementarity;

Amendment 72

Proposal for a regulation

Article 17 – paragraph 2

Text proposed by the Commission

Amendment

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

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

Justification

The changes in the first part of letter (b) are needed in order to reflect the rest of the text. It is not possible to dissociate the different parts of this article.

Amendment 73

Proposal for a regulation

Article 17 – paragraph 2 – point b

Text proposed by the Commission

Amendment

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

(b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors **and internal lines which are listed in the Ten Years Network Development Plan of ENTSOE as being relevant to reduce interconnector congestion, as well as cross-border remedial actions such as redispatching and counter-trading.**

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

If the revenues cannot be efficiently used for the purposes set out in points (a) or (b) of the first subparagraph, **as a residual option, they may be used, subject to approval by the regulatory authorities of the Member States concerned, up to a maximum amount to be decided by those regulatory authorities, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs. Regulatory authorities may only approve this option in cases where the transmission system operator takes a commitment decision to undertake all interconnector projects that have a positive net benefit and has a balance sheet that is sufficient to finance these investments. The rest of revenues shall be placed on a separate internal account line**

until such time as it can be spent on the purposes set out in points (a) and/or (b) of the first subparagraph. The regulatory authority shall inform the Agency of the approval referred to in the second subparagraph.

Justification

The changes in the first part of letter (b) are needed in order to reflect the rest of the text. It is not possible to dissociate the different parts of this article.

Amendment 74

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

Text proposed by the Commission

Amendment

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

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

Before submission to the Commission, the Agency shall consult on the methodology pursuant to Article 15 [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].

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

Amendment 75

Proposal for a regulation Article 17 – paragraph 4

Text proposed by the Commission

Amendment

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

deleted

Amendment 76

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

Amendment

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

1. Member States shall monitor **and report on** resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19 **and on a national and regional assessment where appropriate.**

Amendment 77

Proposal for a regulation Article 18 – paragraph 2

Text proposed by the Commission

Amendment

2. Where the European resource

2. Where the European resource

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

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

Amendment 78

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

3. Member States shall publish a timeline for adopting measures to eliminate any identified regulatory distortions. When addressing resource adequacy concerns Member States shall in particular consider removing regulatory distortions, enabling scarcity pricing, developing interconnection, energy storage, demand side measures and energy efficiency.

Amendment

3. Member States shall publish a timeline **and an implementation plan** for adopting measures to eliminate any identified regulatory distortions **and actions to address market failures**. When addressing resource adequacy concerns Member States shall in particular consider removing regulatory distortions, enabling scarcity pricing, developing interconnection, energy storage, demand side measures and energy efficiency.

Amendment 79

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

Text proposed by the Commission

Amendment

3a. Member States shall set indicators to report on the effectiveness of the measures adopted pursuant to paragraph 3, and shall accordingly review any capacity mechanism put in place pursuant to Article 23.

Amendment 80

Proposal for a regulation Article 19 – paragraph 4

Text proposed by the Commission

Amendment

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

- (a) is carried out on bidding zone level covering at least all Member States;
- (b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, new-build of generation assets and measures to reach energy efficiency targets and appropriate sensitivities on wholesale prices and carbon price developments;
- (c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;
- (d) anticipates the likely impact of the measures referred in Article 18(3);
- (e) includes scenarios without existing or planned capacity mechanisms;
- (f) is based on a market model using, where applicable, the flow-based approach;
- (g) applies probabilistic calculations;
- (h) applies at least the following indicators:
 - "expected energy not served", and
 - "loss of load expectation";
- (i) identifies the sources of possible resource adequacy concerns, in particular whether it is a network or a resource constraint, or both.

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

- (a) is carried out on bidding zone level covering at least all Member States;
- (b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, *moth-balling*, new-build of generation assets and measures to reach energy efficiency *and electricity interconnection* targets and appropriate sensitivities on wholesale prices and carbon price developments;
- (c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;
- (d) anticipates the likely impact of the measures referred in Article 18(3);
- (e) includes scenarios without existing or planned capacity mechanisms;
- (f) is based on a market model using, where applicable, the flow-based approach;
- (g) applies probabilistic calculations;
- (h) applies at least the following indicators:
 - "expected energy not served", and
 - "loss of load expectation";
- (i) identifies the sources of possible resource adequacy concerns, in particular whether it is a network or a resource constraint, or both.

Amendment 81

Proposal for a regulation

Proposal for a regulation Article 19 – paragraph 6

Text proposed by the Commission

6. The proposals under paragraphs 2 and 5 and the results of the European resource adequacy assessment under paragraph 3 shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.

Amendment

6. The proposals under paragraphs 2 and 5, ***the scenarios and assumptions on which they are based***, and the results of the European resource adequacy assessment under paragraph 3 shall be subject to prior consultation of all ***affected stakeholders*** and approval by the Agency under the procedure set out in Article 22.

Amendment 82

**Proposal for a regulation
Article 20 – paragraph 1**

Text proposed by the Commission

1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating ***their desired*** level of security of supply ***in a transparent manner***.

Amendment

1. When applying capacity mechanisms Member States shall have a reliability standard in place, ***that shall indicate the necessary*** level of security of supply, ***based on a transparent, objective, verifiable and thorough cost-benefit analysis***.

Amendment 83

**Proposal for a regulation
Article 20 – paragraph 2**

Text proposed by the Commission

2. The reliability standard shall be set by the national regulatory authority based on the methodology pursuant to Article 19(5).

Amendment

2. The reliability standard shall be set by the national regulatory authority based on the methodology pursuant to Article 19(5), ***taking into account the principles of necessity and proportionality and the need to avoid the negative impacts of environmentally harmful subsidies and unnecessary market distortions, including overcapacity***.

Amendment 84

Proposal for a regulation

Article 21 – paragraph 6

Text proposed by the Commission

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

Amendment

6. **Where capacity mechanisms are applied, transmission system operators shall assist relevant regulatory authorities in calculating** the maximum entry capacity available for the participation of foreign capacity taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.

Amendment 85

Proposal for a regulation Article 23 – paragraph 1

Text proposed by the Commission

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

Amendment

1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States **shall prepare a plan providing for appropriate measures to address the said concerns, to be implemented within a maximum period of five years.**

Amendment 86

Proposal for a regulation Article 23 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The plan under paragraph 1 shall aim to ensure resource adequacy without additional recourse to capacity mechanisms, via one or more of the following:

(a) additional renewable energy generation capacity;

- (b) *energy efficiency;*
- (c) *demand-side response;*
- (d) *storage;*
- (e) *interconnection.*

Amendment 87

Proposal for a regulation Article 23 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. Pending the implementation of the plan under paragraph 1, Member States may introduce capacity mechanisms, if deemed necessary on the basis of an impact assessment and subject to the provisions of this Article and to the Union State aid rules.

Amendment 88

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

Amendment

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

2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism ***with all interested parties, including*** with its electrically connected neighbouring Member States.

Amendment 89

Proposal for a regulation Article 23 – paragraph 3

Text proposed by the Commission

Amendment

3. Capacity mechanisms shall not create unnecessary market distortions ***and*** not limit cross-border trade. The amount of

3. Capacity mechanisms shall not create unnecessary market distortions, ***particularly by discriminating against***

capacity committed in the mechanism shall not go beyond what is necessary to address the concern.

renewable energy sources, discouraging recourse to flexible consumption and energy efficiency, or raising costs for consumers. They shall not limit cross-border trade. The duration of, and the amount of capacity committed in, the mechanism shall not go beyond what is necessary to address the concern.

Amendment 90

Proposal for a regulation

Article 23 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Generation capacity providers shall be selected on the basis of transparent criteria, including flexibility criteria. Such criteria shall aim at maximising the ramping ability, and minimising the necessary level of stable output of power plants benefitting from capacity mechanisms.

Amendment 91

Proposal for a regulation

Article 23 – paragraph 4

Text proposed by the Commission

Amendment

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

4. Generation capacity for which a final investment decision has been made after [OP: entry into force] shall only be eligible to participate in a capacity mechanism if its emissions are below 550gr CO₂/kWh. Generation capacity emitting 550 gr CO₂/kWh or more shall not be committed in capacity mechanisms 2 years after the entry into force of this Regulation, ***or five years for those plants that are part of strategic reserves.***

Amendment 92

Proposal for a regulation Article 23 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The CO₂ emission factor of an electricity generation installation shall be based on the net efficiency at nominal capacity under ISO conditions.

Amendment 93

Proposal for a regulation Article 23 – paragraph 5

Text proposed by the Commission

Amendment

5. Where the European resource adequacy assessment ***has not identified a resource adequacy concern, Member States shall not apply capacity mechanisms.***

5. Where ***a Member State wishes to implement capacity mechanism, it must explain its consistency with the European resource adequacy assessment, especially regarding the justification, scope, start and termination, and multi-year implementation.***

Amendment 94

Proposal for a regulation Article 23 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. When designing capacity mechanisms, Member States shall include an exit clause, a provision allowing for efficient phase-out of capacity mechanism in case the resource adequacy assessment proves that the adequacy concern is not present anymore.

Amendment 95

Proposal for a regulation Article 23 a (new)

Article 23a

Electricity Market Design Advisory Board

By ...[12 months after the entry into force of this Regulation] an Electricity Market Design Advisory Board shall be established. The Advisory Board shall be consisting of high-level experts of the Member States and a relevant and balanced group of experts from the energy sector, including utilities, investors, technology providers, network operators, climate protection groups, consumer representatives and representatives of local energy communities.

The Advisory Board shall provide the Commission with expertise and insight, and thus advise and assist the Commission in the preparation of future policy initiatives related to the European energy market design. It shall do so by formulating opinions, recommendations or reports, where appropriate.

Within 24 months after the establishment of the Advisory Board, the Commission shall draw its conclusions from the discussion by means of a Communication laying out the strategic priorities for a European electricity market capable of driving the investments needed for a sustainable, secure and affordable energy transition.

Justification

The EU is moving towards an energy system which produces energy at low marginal cost, but which requires high upfront investments. The current electricity market remunerating energy only at the marginal costs does not reflect this shift. Market based remuneration remains a challenge. Shifting the fundamentals about how the EU produces and uses energy to build a low-carbon future requires a thorough reflection about the energy market design.

Amendment 96

**Proposal for a regulation
Article 24 – paragraph 1**

Text proposed by the Commission

Amendment

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

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

Justification

In line with the goal of creating internal (wholesale) electricity market in Europe, for which uniform national market design is needed.

Amendment 97

Proposal for a regulation

Article 24 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Member States and regions that decide - independently from or as a consequence of harmonised rules of capacity mechanisms - to actively phase-out coal fired electricity generation, shall be provided with a long-term enabling framework for a just transition towards a sustainable and flexible electricity system. The managed and planned retirement of coal-fired capacity would help to improve the functioning of the electricity system in addition to reaching Union climate and environmental objectives, for example on CO₂ emissions and clean air.

Justification

Decarbonisation needs to be inclusive, just and agreed by all stakeholders and consider societal, economic and environmental impacts, as well as sustainable labour alternatives, especially when the phase-out is linked to the closure of mining activities. A preparatory action on the establishment of a coal platform dialogue to discuss aspects of governance, just transition and decommissioning is about to start and EU Electricity Market rules should be in line with those activities.

Amendment 98

Proposal for a regulation Article 25 – paragraph 2

Text proposed by the Commission

2. In performing its functions under EU law, the ENTSO for Electricity shall act for the European good and independent from individual national interests or the national interests of transmission system operators, and shall contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources and to increases in energy efficiency.

Amendment

2. In performing its functions under EU law, the ENTSO for Electricity shall act for the European good and independent from individual national interests or the national interests of transmission system operators, and shall contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources ***in combination with energy storage and demand response*** and to increases in energy efficiency.

Amendment 99

Proposal for a regulation Article 32 – paragraph 1

Text proposed by the Commission

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

Amendment

1. By [OP: twelve months after entry into force], all transmission system operators ***of a system operation region*** shall ***submit to the regulatory authorities of the region for a review a proposal for the establishment of*** regional ***coordination*** centres in accordance with the criteria set out in this chapter.

That proposal shall include the following information:

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

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

transmission system;

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

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

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

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

Amendment 100

Proposal for a regulation

Article 32 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The effective operation of the transmission system shall be the responsibility of each transmission system operator in accordance with Article 44.

Amendment 101

Proposal for a regulation

Article 34 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) coordination and optimisation of regional restoration;

deleted

Amendment 102

Proposal for a regulation

Article 34 – paragraph 1 – point f

Text proposed by the Commission

Amendment

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

deleted

Amendment 103

Proposal for a regulation

Article 34 – paragraph 1 – point g

Text proposed by the Commission

Amendment

(g) regional sizing of reserve capacity; deleted

Justification

Aligned with amendment on Article 5, paragraph 7. Procurement and sizing of reserve capacity is closely related to system specificities, season, and thus to security of supply. As national TSOs are held responsible for security of supply, they should also preserve right to procure the amount of balancing capacity/reserves, which they find sufficient.

Amendment 104

Proposal for a regulation

Article 34 – paragraph 1 – point h

Text proposed by the Commission

Amendment

(h) facilitate the regional procurement of balancing capacity; deleted

Justification

Aligned with amendment on Article 5 paragraph 8. Procurement and sizing of reserve capacity is closely related to system specificities, season, and thus to security of supply. As national TSOs are held responsible for security of supply, they should also preserve right to procure the balancing capacity/reserves.

Amendment 105

Proposal for a regulation

Article 34 – paragraph 1 – point i

Text proposed by the Commission

Amendment

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

(i) regional week ahead to intraday system adequacy forecasts;

Amendment 106

Proposal for a regulation

Article 34 – paragraph 1 – point k

Text proposed by the Commission

Amendment

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

Amendment 107

Proposal for a regulation

Article 34 – paragraph 1 – point l

Text proposed by the Commission

Amendment

(l) training and certification; *deleted*

Amendment 108

Proposal for a regulation

Article 34 – paragraph 1 – point m

Text proposed by the Commission

Amendment

(m) identification of regional crisis scenarios according to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862] if this task is delegated by ENTSO for Electricity; *deleted*

Amendment 109

Proposal for a regulation

Article 34 – paragraph 1 – point n

Text proposed by the Commission

Amendment

(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities pursuant to Article 12(3) of [Regulation on risk preparedness as proposed by COM(2016) 862]; *deleted*

Amendment 110

Proposal for a regulation Article 34 – paragraph 1 – point o

Text proposed by the Commission

Amendment

(o) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional operational centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862]; **deleted**

Amendment 111

Proposal for a regulation Article 34 – paragraph 1 – point p

Text proposed by the Commission

Amendment

(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional operational centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016) 862]; **deleted**

Amendment 112

Proposal for a regulation Article 34 – paragraph 1 – point q

Text proposed by the Commission

Amendment

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

Amendment 113

Proposal for a regulation Article 34 – paragraph 2

2. The Commission may add other functions to the regional operational centres, not involving decision making power, pursuant to Chapter VII of this Regulation.

2. Each regional coordination centre shall aim to develop the following functions:

- (a) coordination and optimisation of regional restoration;**
- (b) post-operation and post-disturbance analysis and reporting;**
- (c) facilitation of the regional dimension of capacity reserves;**
- (d) facilitation of the regional procurement of balancing capacity;**
- (e) optimisation of compensation mechanisms between transmission system operators;**
- (f) training and certification;**
- (g) identification of regional crisis scenarios according to Article [6(1)] of Regulation (EU) .../... [Regulation on risk preparedness, COM(2016) 862] if this task is delegated by ENTSO for electricity;**
- (h) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional coordination centres pursuant to Article [6(1)] of Regulation (EU) .../... [Regulation on risk preparedness, COM(2016) 862];**
- (i) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional operational centres pursuant to Article [9(2)] of Regulation (EU) .../... [Regulation on risk preparedness, COM(2016) 862];**

Amendment 114

Proposal for a regulation Article 34 – paragraph 4

Text proposed by the Commission

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

Amendment 115

Proposal for a regulation Article 35 – title

Text proposed by the Commission

Cooperation within **regional** operational centres

Amendment 116

Proposal for a regulation Article 35 – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment 117

Proposal for a regulation Article 35 – paragraph 1 – point c

Text proposed by the Commission

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

Amendment 118

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Amendment

4. Regional **coordination** centres shall provide transmission system operators of the system operation region with all the information necessary to **fulfil their tasks**.

Amendment

Cooperation within **and between security-coordinated regions** operational centres

Amendment

1. The day-to-day **coordination within and between security-coordinated regions** operation shall be managed through cooperative decision-making process based on:

Amendment

(c) a procedure for the adoption of **transmission system operators decisions taking into account the proposals from regional security coordinators**;

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Proposal for a regulation
Article 35 – paragraph 1 – point d

Text proposed by the Commission

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

Amendment

(d) a procedure for the revision of recommendations **issued** by regional **security coordinators** in accordance with Article 39.

Amendment 119

Proposal for a regulation
Article 37 a (new)

Text proposed by the Commission

Amendment

Article 37a

Transparency

- 1. Regional operational centres shall organise a process for stakeholder involvement and organise regular meetings with stakeholders to discuss matters relating to the efficient, secure and reliable operation of the interconnected system as well as to identify shortcomings and propose improvements;**
- 2. ENTSO for electricity and regional operational centres shall operate in full transparency towards stakeholders and the general public. All relevant documentation shall be published on the website of the respective regional operation centre. This paragraph shall apply to the proposals, justifications and decisions adopted pursuant to Articles 32 and 33, Article 35(a) and Article 38 of this Regulation.**

Justification

ROCs will be subject to extensive discussions in the lead committee. However, from an ENVI perspective provisions on transparency and participation are key. This Article is hence a logical continuation of the previous provisions on ROCs.

Amendment 120

Proposal for a regulation Article 38 – title

Text proposed by the Commission

Adoption of *decisions and*
recommendations

Amendment

Adoption of recommendations

Amendment 121

Proposal for a regulation Article 38 – paragraph 1

Text proposed by the Commission

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

Amendment

1. *The transmission system operators of a system operation region* shall develop a procedure for the adoption *and revision of recommendations put forward by regional coordination centres in accordance with the criteria set out in paragraphs 2 and 3*.

Amendment 122

Proposal for a regulation Article 38 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Regional *coordination* centres shall *have the competence to adopt* decisions addressed to the transmission system operators in respect of the functions referred to in points (a), (b), (g) and (q) of Article 34(1).

Amendment 123

Proposal for a regulation

Article 38 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. *Where a transmission system operator decides to deviate from the recommendation issued by the regional coordination centre, it shall submit a detailed reasons to the regional coordination centre and to the other transmission system operators of the system operation region.*

Amendment 124

Proposal for a regulation Article 38 – paragraph 3

Text proposed by the Commission

Amendment

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

3. *As regards the recommendations for the functions referred to in points (a) and (b) of Article 34(1), transmission system operators shall deviate only in cases where the safety of the system would be negatively affected.*

Amendment 125

Proposal for a regulation Article 39 – paragraph 1

Text proposed by the Commission

Amendment

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

1. Regional *coordination* centres *and transmission system operators* shall *jointly* develop a procedure for the revision of recommendations.

Amendment 126

Proposal for a regulation Article 40 – title

Text proposed by the Commission

Amendment

Management board of regional *operational*

Management board of regional *security*

centres

coordinators

Amendment 127

Proposal for a regulation Article 40 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 128

Proposal for a regulation Article 40 – paragraph 3 – point a

Text proposed by the Commission

(a) drafting and endorsing the statutes and rules of procedure of the regional ***operational centre***;

Amendment

(a) drafting and endorsing the statutes and rules of procedure of the regional ***security coordinators***;

Amendment 129

Proposal for a regulation Article 41 – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment

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

Amendment 130

Proposal for a regulation Article 41 – paragraph 2

Text proposed by the Commission

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

Amendment 131

Proposal for a regulation
Article 42 – paragraph 1

Text proposed by the Commission

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

Amendment 132

Proposal for a regulation
Article 43 – paragraph 1 – introductory part

Text proposed by the Commission

1. Regional **operational centres** shall establish a process for the continuous monitoring of at least:

Amendment 133

Proposal for a regulation
Article 43 – paragraph 1 – point b

Text proposed by the Commission

(b) the decisions **and** recommendations issued **and the outcome achieved**;

Amendment

2. Regional **security coordinators** may set up regional desks to address local specificities or back-up **regional security coordinators** for the efficient and reliable exercise of their functions.

Amendment

Regional **security coordinators** shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions **independently and impartially**.

Amendment

1. Regional **security coordinators** shall establish a process for the continuous monitoring of at least:

Amendment

(b) the decisions **by transmission system operators where they have deviated from the** recommendations issued **by the regional cooperation centres**;

Amendment 134

Proposal for a regulation Article 43 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Regional operational centres shall submit to the Agency and to the regulatory authorities of the system operation region the data resulting from their continuous monitoring at least annually. ***The regional coordination centres shall publish an annual report explaining how their recommendations have been implemented. That report should provide details of cases where operators have departed from the recommendations and of the justifications they have provided.***

Amendment 135

Proposal for a regulation Article 43 – paragraph 3

Text proposed by the Commission

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

Amendment

3. Regional ***security coordinators*** shall establish their costs in a transparent manner and report them to the Agency and to the regulatory authorities of the ***security-coordinated*** region.

Amendment 136

Proposal for a regulation Article 43 – paragraph 4

Text proposed by the Commission

4. Regional ***operational centres*** shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the ***system operation*** region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02³⁷.

Amendment

4. Regional ***security coordinators*** shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the ***security-coordinated*** region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02³⁷.

³⁷. Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2).

³⁷. Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2).

Amendment 137

Proposal for a regulation Article 43 – paragraph 5

Text proposed by the Commission

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

Amendment

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

Amendment 138

Proposal for a regulation Article 44 – paragraph 1

Text proposed by the Commission

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

Amendment

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

Amendment 139

Proposal for a regulation

Article 49 – paragraph 1

Text proposed by the Commission

Distribution system operators ***which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]***, shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity.

Amendment

All distribution system operators shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity ***and gas to support the development of a sustainable, decentralised and more integrated energy system***, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators ***and associations that represent them at Union level*** who wish to participate in the EU DSO entity shall become registered members of the entity. ***Statuses shall ensure that decision-making process takes into account regional differences of distribution network.***

Justification

Distribution networks across Europe vary to a great extent: from voltage level, topology, natural profile of given area to consumption patterns of users. These specificities has to be taken into account in an operation of EU DSO entity.

Amendment 140

Proposal for a regulation Article 49 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

In performing its functions under Union law, the EU DSO entity shall act in the interests of the Union and independently from individual national interests and from the national interests of distribution system operators, and shall contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by removing obstacles to the

integration of electricity generated from renewable energy sources and to increases in energy efficiency.

Justification

Given the tasks ascribed to the new EU DSO entity (in particular the tasks related to the development of network codes and best practices), the entity should have an obligation to act in the interest of Europe, to act independently, and to contribute to the achievement of EU energy and climate objectives. Such an obligation has been proposed to be imposed on ENTSO for Electricity (ENTSO-E) in Article 25(2) of this Regulation and should be replicated for the new EU DSO in order to ensure consistency.

Amendment 141

Proposal for a regulation

Article 50 – title

Text proposed by the Commission

Amendment

Establishment of the EU DSO entity ***for electricity***

Establishment of the EU DSO entity

Amendment 142

Proposal for a regulation

Article 50 – paragraph 1

Text proposed by the Commission

Amendment

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

1. By [OP: twelve months after entry into force], the distribution system operators, with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft ***outline of a governance structure that guarantees a fair and balanced representation of interests between members and Member States. This shall include the draft criteria defined in paragraph 2,*** a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders and the financing rules, of the EU DSO entity to be established.

Amendment 143

Proposal for a regulation Article 50 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. *By [OP: six months after entry into force], the Agency shall define criteria for the elaboration of the draft statutes, the list of registered members, and the draft rules of procedure referred to in paragraph 1 with a view to maintaining independence of the EU DSO entity from its members and to ensuring a balanced representation as well as equitable treatment of all member distribution system operators. The Agency shall formally consult organisations representing all stakeholders on the criteria.*

Amendment 144

Proposal for a regulation Article 51 – paragraph 1

Text proposed by the Commission

Amendment

1. The **tasks** of the EU DSO entity shall be the **following**:

1. The **main task** of the EU DSO entity shall be the **participation in the elaboration of network codes pursuant to Article 56.**

Other tasks may include the exchange of views and best practices on:

Amendment 145

Proposal for a regulation Article 51 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) development of demand response;

(c) development of demand response **and energy storage**;

Amendment 146

Proposal for a regulation

Article 51 – paragraph 1 – point e

Text proposed by the Commission

(e) **data management**, cyber security and data protection;

Amendment

(e) cyber security and data protection, **and impartiality in data management.**

Amendment 147

Proposal for a regulation

Article 51 – paragraph 1 – point f

Text proposed by the Commission

(f) **participation in the elaboration of network codes pursuant to Article 56.**

Amendment

deleted

Amendment 148

Proposal for a regulation

Article 51 – paragraph 2 – point a

Text proposed by the Commission

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

Amendment

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

Amendment 149

Proposal for a regulation

Article 51 – paragraph 2 – point e

Text proposed by the Commission

(e) **operate in full compliance with**

Amendment

deleted

competition rules.

Amendment 150

Proposal for a regulation

Article 51 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EU DSO entity shall operate in full compliance with Union and national competition rules.

Amendment 151

Proposal for a regulation

Article 52 – paragraph 1

Text proposed by the Commission

Amendment

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

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

Justification

As all DSO's should be directly involved in the EU DSO entity, they should not be mentioned here as third party stakeholders.

Amendment 152

Proposal for a regulation
Article 52 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Agency shall monitor the execution of the tasks attributed to the EU DSO entity in accordance with Article 51 and ensure its compliance with the obligations under this Regulation and other relevant Union legislation, notably as regards the independence of the EU DSO entity and the requirement to ensure a balanced representation of all distribution system operators across the Union. The Agency shall include the results of monitoring in its annual report pursuant to Article [16] of Regulation (EU) .../... [Recast of Regulation (EC) No 713/2009, COM(2016) 863].

Justification

ACER should be formally empowered to exercise more robust oversight over the EU DSO entity. In particular, there should be a formal requirement on ACER to ensure the EU DSO entity complies with the criteria contained in its governing statute, in particular that the EU DSO entity complies with criteria for maintaining independence and adequate representation of individual member DSOs. Such changes to the remit of ACER should be cross-referenced in the Recast Regulation 713/2009 as proposed by COM(2016) 863.

Amendment 153

Proposal for a regulation
Article 52 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The EU DSO entity shall submit the draft annual work programme provided for in Article 51 to the Agency for its opinion. Within two months from the day of receipt, the Agency shall provide a duly reasoned opinion as well as recommendations to the EU DSO entity and to the Commission where it considers that the draft annual work programme submitted by the EU DSO entity does not contribute to non-discrimination, effective

competition, the efficient functioning of the market or an optimal management and a coordinated operation of distribution and transmission systems.

Justification

ACER should be empowered to provide recommendations to the EU DSO entity where it finds that the draft annual programme of the EU DSO entity does not comply with EU rules or are inconsistent with EU level objectives. Such changes to the remit of ACER should be cross-referenced in the Recast Regulation 713/2009 as proposed by COM(2016) 863.

Amendment 154

**Proposal for a regulation
Article 52 – paragraph 3**

Text proposed by the Commission

3. The **EU DSO entity** shall take into consideration the views provided during the consultations. Before adopting proposals for network codes referred to in Article 55 the EU DSO entity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.

Amendment

3. The **drafting committee** shall take into consideration the views provided during the consultations. Before adopting proposals for network codes referred to in Article 55 the EU DSO entity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.

Amendment 155

**Proposal for a regulation
Article 54 – paragraph 1**

Text proposed by the Commission

1. The Commission may, subject to the empowerments in Articles 55 and 57, adopt delegated acts. Such delegated acts can either be adopted as network codes on the basis of text proposals developed by the ENTSO for Electricity, or, where so decided in the priority list pursuant to Article 55 paragraph 2, by the **EU DSO entity and the Agency** pursuant to the procedure in Article 55 or as guidelines

Amendment

1. The Commission may, subject to the empowerments in Articles 55 and 57, adopt delegated acts. Such delegated acts can either be adopted as network codes on the basis of text proposals developed by the ENTSO for Electricity, or, where so decided in the priority list pursuant to Article 55 paragraph 2, by the Agency pursuant to the procedure in Article 55 or as guidelines pursuant to the procedure in

pursuant to the procedure in Article 57.

Article 57.

Justification

It is not appropriate for the DSO entity to be in a privileged position to draft network codes (particularly when their subject matter relates to the operation of the distribution system), which will govern the DSOs' own conduct, as well as the conduct of other market participants such as generators, suppliers, consumers, and aggregators. The EUDSO entity would be in a position to influence the drafting of rules and best practices that will significantly impact the deployment of renewables and demand response, which not all DSOs are supporting. This could increase the risk of network codes that impose additional barriers to demand response and self-consumption. This risk is exacerbated by the fact that EU unbundling rules for DSOs are not very stringent, which would allow large DSOs connected to parent utilities to exert undue influence via the DSO entity.

Amendment 156

Proposal for a regulation

Article 55 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the establishment of network codes in the following areas:

Amendment

1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the establishment of network codes in the following areas, **taking into account, if appropriate, regional specificities**:

Justification

Network codes shall continue to take regional specificities into account.

Amendment 157

Proposal for a regulation

Article 55 – paragraph 1 – point k

Text proposed by the Commission

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

Amendment

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

Justification

Distribution system operation is very locally specific given the different topology of the grid and consumption patterns. Therefore, it is not advised to harmonise its structure via network codes or guidelines. Set of high-level principles as stated in Article 16: Charges for access to networks is sufficient for the purpose of transparency and fair tariff-setting.

Amendment 158

Proposal for a regulation Article 55 – paragraph 9

Text proposed by the Commission

9. The ENTSO for Electricity, or where so decided in the priority list pursuant to paragraph 2, the EU DSO entity, shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of the ENTSO for Electricity, the Agency, the EU DSO entity, where appropriate of nominated electricity market operators and a limited number of the main affected stakeholders. The ENTSO for Electricity or where so decided in the priority list pursuant to paragraph 2 the EU DSO entity, shall elaborate proposals for network codes in the areas referred to in paragraph 1 upon a request addressed to it by the Commission in accordance with paragraph 8.

Amendment

9. The ENTSO for Electricity, or where so decided in the priority list pursuant to paragraph 2, the EU DSO entity, shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of the ENTSO for Electricity, the Agency, the EU DSO entity, where appropriate of nominated electricity market operators and ***representatives of*** a limited number of the main affected stakeholders, ***such as the consumers***. The ENTSO for Electricity or where so decided in the priority list pursuant to paragraph 2 the EU DSO entity, shall elaborate proposals for network codes in the areas referred to in paragraph 1 upon a request addressed to it by the Commission in accordance with paragraph 8.

Justification

It is important to ensure that consumers' perspectives are adequately represented in the development of network codes.

Amendment 159

Proposal for a regulation Article 55 – paragraph 10

Text proposed by the Commission

10. The Agency shall revise the

Amendment

10. The Agency shall revise the

network code and ensure that the network code is in line with the relevant framework guideline and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market and, submit the revised network code to the Commission within six months of the day of the receipt of the proposal. In the proposal submitted to the Commission, the Agency shall take into account the views provided by all involved parties during the drafting of the proposal led by the ENTSO for Electricity or the EU DSO entity and shall formally consult the relevant stakeholders on the version to be submitted to the Commission.

network code and ensure that the network code is in line with the relevant framework guideline and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market and, submit the revised network code to the Commission within six months of the day of the receipt of the proposal. In the proposal submitted to the Commission, the Agency shall take into account the views provided by all involved parties, *in particular the consumers' ones*, during the drafting of the proposal led by the ENTSO for Electricity or the EU DSO entity and shall formally consult the relevant stakeholders on the version to be submitted to the Commission.

Amendment 160

Proposal for a regulation Article 57 – paragraph 1

Text proposed by the Commission

1. The Commission may adopt **binding** guidelines in the areas listed below.

Amendment

1. The Commission may adopt guidelines in the areas listed below.

Amendment 161

Proposal for a regulation Article 57 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Guidelines may also determine appropriate rules relating to charges applied to producers, energy storage and customers (load) under national **distribution and** transmission tariff systems and connection regimes, including the reflection of the inter-transmission system operator compensation mechanism in national network charges and the provision of appropriate and efficient locational signals, in accordance with the principles set out in

Amendment

Guidelines may also determine appropriate rules relating to charges applied to producers, energy storage and customers (load) under national transmission tariff systems and connection regimes, including the reflection of the inter-transmission system operator compensation mechanism in national network charges and the provision of appropriate and efficient locational signals, in accordance with the principles set out in Article 16.

Article 16.

Justification

Aligned with amendment on Article 55, paragraph 1, point k. Distribution networks across Europe vary to a great extent: from voltage level, topology, natural profile of given area to consumption patterns of users. Structure of distribution tariff therefore needs to be unique; national regulatory authorities are best equipped to do this.

Amendment 162

Proposal for a regulation
Annex I – part 5 – point 5.1

Text proposed by the Commission

Amendment

5.1. Regional operational centres shall be equipped with the close to real time supervisory control and data acquisition systems with the observability defined by applying the threshold defined in accordance with point 4.1. *deleted*

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Internal market for electricity (recast)
References	COM(2016)0861 – C8-0492/2016 – 2016/0379(COD)
Committee responsible Date announced in plenary	ITRE 1.3.2017
Opinion by Date announced in plenary	ENVI 6.7.2017
Rapporteur Date appointed	Ivo Belet 6.7.2017
Date adopted	21.11.2017
Result of final vote	+: 52 –: 9 0: 0
Members present for the final vote	Margrete Auken, Pilar Ayuso, Zoltán Balczó, Catherine Bearder, Ivo Belet, Simona Bonafè, Lynn Boylan, Soledad Cabezón Ruiz, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Angélique Delahaye, Mark Demesmaecker, Bas Eickhout, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Arne Gericke, Jens Gieseke, Julie Girling, Françoise Grossetête, Andrzej Grzyb, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Josu Juaristi Abaunz, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Jo Leinen, Peter Liese, Norbert Lins, Valentinas Mazuronis, Joëlle Mélin, Susanne Melior, Rory Palmer, Gilles Pargneaux, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Frédérique Ries, Daciana Octavia Sârbu, Annie Schreijer-Pierik, Davor Škrlec, Renate Sommer, Ivica Tolić, Adina-Ioana Vălean, Damiano Zoffoli
Substitutes present for the final vote	Jörn Dohrmann, Herbert Dorfmann, Eleonora Evi, Martin Häusling, Esther Herranz García, Rupert Matthews, Christel Schaldemose, Bart Staes, Dubravka Šuica
Substitutes under Rule 200(2) present for the final vote	Maria Noichl

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

52	+
ALDE	Catherine Bearder, Gerben-Jan Gerbrandy, Anneli Jäätteenmäki, Valentinas Mazuronis, Frédérique Ries
ECR	Mark Demesmaecker
EFDD	Eleonora Evi, Piernicola Pedicini
GUE/NGL	Lynn Boylan, Josu Juaristi Abaunz, Kateřina Konečná
PPE	Pilar Ayuso, Ivo Belet, Alberto Cirio, Birgit Collin-Langen, Angélique Delahaye, Herbert Dorfmann, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Françoise Grossetête, Andrzej Grzyb, Esther Herranz García, Giovanni La Via, Peter Liese, Norbert Lins, Annie Schreijer-Pierik, Renate Sommer, Dubravka Šuica, Ivica Tolić, Adina-Ioana Vălean
S&D	Simona Bonafè, Soledad Cabezón Ruiz, Nessa Childers, Miriam Dalli, Seb Dance, Jo Leinen, Susanne Melior, Maria Noichl, Rory Palmer, Gilles Pargneaux, Pavel Poc, Christel Schaldemose, Daciana Octavia Sârbu, Damiano Zoffoli
Verts/ALE	Margrete Auken, Bas Eickhout, Martin Häusling, Benedek Jávor, Davor Škrlec, Bart Staes

9	-
ECR	Jørn Dohrmann, Arne Gericke, Julie Girling, Urszula Krupa, Rupert Matthews, Bolesław G. Piecha
ENF	Jean-François Jalkh, Joëlle Mélin
NI	Zoltán Balczó

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention