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Committee on Economic and Monetary Affairs

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PE 388.349v01-00

AMENDMENTS 1-64

Draft opinion

(PE 386.643v01-00)

Sophia in 't Veld

The prospects for the internal gas and electricity market
(2007/0000(INI))

Amendment by Christian Ehler

Amendment 1
Recital A a (new)

Aa. whereas an adequate legislative framework in accordance with the principle of subsidiarity has to be established in a timely manner in order to achieve these ambitious and long-term benefits;

Or. en

Amendment by Christian Ehler

Amendment 2
Recital B

B. whereas the Commission communication on the prospects for the internal gas and electricity market (COM(2006)0841) and the final Report on the Competition Sectoral Inquiry conclude that the present rules and liberalisation measures have led to *(deletion)* efficiency improvements in energy supply and delivered savings to customers *particularly in the initial stage*, but that *the existing legislative framework has not yet been fully and duly transposed by the Member states into national law and that further steps are necessary in order to achieve market liberalisation;*

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Amendment by Heide Rühle and Alain Lipietz

Amendment 3

Recital B

- B. whereas the Commission communication on the prospects for the internal gas and electricity market (COM(2006)0841) and the final Report on the Competition Sectoral Inquiry conclude that the present rules and liberalisation measures have led to some efficiency improvements in energy supply and delivered savings to customers, but that market opening has not yet been fully achieved and *monopolistic* barriers to free competition still remain, ***contributing therefore to unjustified increase of electricity price***, and that therefore a coherent series of measures need to be taken;

Or. en

Amendment by Benoît Hamon

Amendment 4

Recital B a (new)

- Ba. whereas competition has been accompanied by an increase in energy prices; faced with ever-increasing demand, electricity providers have stopped investing in the means of production, which has led to an increase in prices; shareholder involvement does not ensure that profits are reinvested, which is essential in order to keep prices at an affordable level for consumers, carry out environmental research and improve the reliability of the network;***

Or. fr

Amendment by Cristobal Montoro Romero

Amendment 5

Recital B a (new)

- Ba. whereas few countries in the European Union have opened their gas market; whereas lower prices and a quality service in the supply in the gas market are key for the whole system, both for consumers and enterprises;***

Or. en

Amendment by Benoît Hamon

Amendment 6
Recital C

deleted

Or. fr

Amendment by Werner Langen

Amendment 7
Recital C

- C. whereas in its resolution of 14 December 2006 on a European strategy for sustainable, competitive and secure energy - Green Paper the European Parliament stressed that transmission systems in the energy sector should undergo full ownership unbundling ***only if an independent regional market operator approach does not lead to a more integrated European energy market;***

Or. en

Amendment by Christian Ehler

Amendment 8
Recital C

- C. whereas in its resolution of 14 December 2006 on a European strategy for sustainable, competitive and secure energy - Green Paper the European Parliament stressed that ***full ownership unbundling of*** transmission systems in the energy sector should ***only be considered if and when*** the Commission concludes that existing legislation is ineffective;

Or. en

Amendment by Jean-Paul Gauzès

Amendment 9
Recital C

- C. whereas ***the European Parliament adopted on 14 December 2006 a resolution on a European strategy for sustainable, competitive and secure energy - Green paper;***

Or. en

Amendment by Sophia in 't Veld

Amendment 10
Recital C a (new)

Ca. *whereas following the sector inquiry and in light of the economic evidence the Commission considers that ownership unbundling is the most effective means to ensure choice for energy users and to encourage investment;*

Or. en

Amendment by Werner Langen

Amendment 11
Recital D

D. *whereas the current regulatory cross-border gap cannot be remedied by application of competition rules alone; whereas reinforced coordination between national energy regulators **by enhancing the competences of ERGEG**, with a stronger role for Community oversight to safeguard the Internal Market interests, should be ensured;*

Or. en

Amendment by Christian Ehler

Amendment 12
Recital D

D. *whereas the current regulatory cross-border gap cannot be remedied by application of competition rules alone; whereas reinforced coordination between national energy regulators, with a stronger role for Community oversight to **enforce** the Internal Market interests, should be ensured;*

Or. en

Amendment by Benoît Hamon

Amendment 13
Recital D a (new)

Da. *whereas the European Union has not yet achieved the requisite level of coordination between national energy networks with regard to technical standards, balancing*

rules, gas quality, contact regimes and the management mechanisms required to allow cross-border trade to work effectively;

Or. fr

Amendment by Benoît Hamon

Amendment 14
Recital E a (new)

Ea. whereas regulated tariffs should be set by reference to production cost, including the investment required to modernise production, transport and distribution networks throughout the territory concerned; the proposal for an institutional platform operating independently of the national authorities would not guarantee the universal service requirement;

Or. fr

Amendment by Werner Langen

Amendment 15
Paragraph 1

1. Reiterates that the Lisbon Strategy can be a success only if further efforts are made to establish a common energy policy based on a broader vision of the common European interest in the energy field ***by respecting national characteristics and allowing member states to adhere to their energy mixes in order to diversify energy sources and energy producers as much as possible;***

Or. en

Amendment by Christian Ehler

Amendment 16
Paragraph 1

1. Reiterates that the Lisbon Strategy can be a success only if further efforts are made to establish a common energy policy based on a broader vision of the common European interest in the energy field ***by respecting national characteristics and allowing member states to adhere to their energy mixes in order to diversify energy sources and energy producers as much as possible;***

Or. en

Amendment by Benoît Hamon

Amendment 17
Paragraph 1

1. Reiterates that the Lisbon Strategy can be a success only if further efforts are made to establish a common energy policy based on a broader vision of the common European interest in the energy field; ***a European public energy authority would help to finance research and the use of renewable energies, bring tariffs into line and ensure equal access to energy for all citizens;***

Or. xm

Amendment by Christian Ehler

Amendment 18
Paragraph 2

2. Is convicted that a number of serious shortcomings identified by the Sector Inquiry ***urgently call for a full and proper transposition of community law into national law without delay; requests in this context strict actions to be taken in cases of infringement of community law;***

Or. en

Amendment by Benoît Hamon

Amendment 19
Paragraph 2 a (new)

- 2a. Stresses that complete opening of the market would not be conducive to compliance with environmental standards; market regulation appears to be more necessary than ever to ensure the Lisbon objectives with regard to environmental protection can be met;***

Or. fr

Amendment by Heide Rühle and Alain Lipietz

Amendment 20

Paragraph 3

3. Agrees with the Commission that *(deletion)* the liberalisation process ***will enhance the efficiency of the energy market, will facilitate the introduction of new environmentally friendly technologies, and is the best way to ensure diverse sources of energy throughout the EU***; calls on Member States to ensure full and effective transposition of existing liberalisation Directives; moreover, endorses the Commission proposal to address the malfunctioning of the market by applying both competition-based and regulatory remedies;

Or. en

Amendment by Benoît Hamon

Amendment 21

Paragraph 3 a (new)

- 3a. ***Notes that there are considerable disparities between the European countries; it would be preferable, before imposing any new measures, to harmonise States' existing practices, as the distribution system operators appear to be ill-prepared for the opening of competition to households by July 2007; calls for States to be allowed to derogate from opening the market to competition on 1 July 2007;***

Or. fr

Amendment by Benoît Hamon

Amendment 22

Paragraph 3 a (new)

- 3a. ***Believes that rising energy prices throughout the European Union in recent years have demonstrated the failure of a liberalisation process and policy which has in fact increased the concentration in the internal gas and electricity market by supporting the emergence and expansion of European "champions";***

Or. en

Amendment by Jean-Paul Gauzès

Amendment 23
Paragraph 4

deleted

Or. en

Amendment by Christian Ehler

Amendment 24
Paragraph 4

deleted

Or. en

Amendment by Werner Langen

Amendment 25
Paragraph 4

4. Endorses the results of the Sector Inquiry indicating that legal and functional unbundling as currently required by the legislation is not sufficient to ensure the development of a real, competitive European energy market; reiterates that non-discriminatory network access should be ensured and fully endorses the Commission proposal for further action to ensure clearer separation of energy production from energy distribution, *preferably by means of a regionally oriented model in order to ensure the rapid establishment of regional markets;*

Or. en

Amendment by Jean-Paul Gauzès

Amendment 26
Paragraph 4

4. Endorses the results of the Sector Inquiry indicating that legal and functional unbundling as currently *implemented in the Member States* is not sufficient to ensure the development of a real, competitive European energy market; reiterates that non-discriminatory network access should be ensured and fully endorses the Commission proposal for further action to ensure clearer separation of energy production from energy distribution;

Amendment by Christian Ehler

Amendment 27

Paragraph 4 a (new)

- 4a. *Calls on the Commission to present an analysis in which the expected costs of an ownership unbundling for the member states, the expected effects on investments in the networks as well as the benefits for the Internal Market and the customer respectively demonstrated; points out that the analysis should also take account of the question whether and if so which problems or costs do occur if no unbundling is carried out by the state as well as whether the negative consequences differ between state and private ownership; suggests that furthermore it should be analysed what the advantages would be of an ownership unbundling compared to the independent regional market operator approach as regards the achievements of objectives;***

Or. en

Amendment by Benoît Hamon

Amendment 28

Paragraph 4 a (new)

- 4a. *Stresses that opening the market would weaken the position of European suppliers with the entry of major groups such as Russia's Gazprom; this unbundling would simply strengthen the position of external producers which are already very powerful and would enable them to approach European customers directly;***

Or. fr

Amendment by Sahra Wagenknecht

Amendment 29

Paragraph 4 a (new)

- 4a. *Disagrees with the illusion that “free competition” in energy markets can be achieved by more radical liberalization; believes that in order to reach non-discriminatory network access it is necessary to establish public ownership and democratic control over energy distribution networks;***

Or. en

Amendment by Christian Ehler

Amendment 30
Paragraph 5

deleted

Or. en

Amendment by Benoît Hamon

Amendment 31
Paragraph 5

deleted

Or. fr

Amendment by Cristobal Montoro Romero

Amendment 32
Paragraph 5

5. Insists that only strong ownership unbundling provisions would give system operators proper incentives to operate and develop the network in the interest of all users; stresses, however, that unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; ***believes that public ownership in the electricity and gas markets is one of the main elements leading to distortions in the European market; the stimulus for competition in those markets is more reduced if there are public enterprises which in most cases count, through their company statute, with a lower level of transparency and information for potential investors, and are dependent on political decisions taken by governments in those countries;*** insists that appropriate measures be put in place to prevent a situation in which public monopolies are replaced by private ones;

Or. en

Amendment by Werner Langen

Amendment 33
Paragraph 5

5. ***Stresses that (deletion)*** unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; ***stresses the importance of a strong***

cooperation of TSOs within a regional independent body in order to facilitate cross-border trade and to achieve close market integration; insists that appropriate measures be put in place to prevent discrimination of privately owned energy companies by state-owned companies, e.g. by the Commission's view to confirm ownership unbundling in state-owned companies if different ministries are in charge of the energy production and the energy distribution branches;

Or. en

Amendment by Jean-Paul Gauzès

Amendment 34

Paragraph 5

5. *Insists on the need to give system operators proper incentives to operate and develop the network in the interest of all users. As a stable regulatory framework is essential to ensure investment decisions future measures affecting the internal market have to be designed and implemented in a way that provides a positive framework for much-needed investment;* stresses, however, that unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; insists that appropriate measures be put in place to prevent a situation in which public monopolies are replaced by private ones;

Or. en

Amendment by Jean-Paul Gauzès

Amendment 35

Paragraph 5

5. Insists that *implementation of effective unbundling provisions and adequate regulation* would give system operators proper incentives to operate and develop the network in the interest of all users; stresses, however, that unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; insists that appropriate measures be put in place to prevent a situation in which public monopolies are replaced by private ones;

Or. en

Amendment by Alexander Radwan

Amendment 36

Paragraph 5

5. Insists that only strong ownership unbundling provisions ***or the creation of independent cross border network operators in regional markets*** would give system operators proper incentives to operate and develop the network ***with a view to creating an internal market, thereby serving*** the interest of all users; stresses, however, that unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; insists that appropriate measures be put in place to prevent a situation in which public monopolies are replaced by private ones;

Or. en

Amendment by Gabriele Albertini

Amendment 37

Paragraph 5

5. Insists that only strong ***effective regulated*** unbundling provisions would give operators proper incentives to operate and develop the network in the interest of all users; stresses however, that unbundling should be seen as a pre-condition but not the only condition for guaranteeing fair competition; insists that appropriate measures be put in place to prevent a situation in which public monopolies are replaced by private ones, ***or public owned monopolies not properly unbundled could replace private transmission undertakings in liberalized markets;***

Or. en

Amendment by Sophia in 't Veld

Amendment 38

Paragraph 5 a (new)

- 5a. ***Stresses that legal unbundling of Transmission System Operators (TSOs) has already led to an improvement in third party access to networks; is concerned, however, that Distribution System Operators (DSOs) appear to be poorly prepared for the opening of competition to households from July 2007; urges the Commission to re-examine the suitability of the 100 000 customers threshold exemption from application of the basic unbundling requirements in the current gas and electricity Directives;***

Or. en

Amendment by Sahra Wagenknecht

Amendment 39
Paragraph 5 a (new)

5a. Calls for a decentralization of energy production; thinks therefore that municipal utilities should be exempt from measures to separate energy production from energy distribution (ownership unbundling);

Or. en

Amendment by Benoît Hamon

Amendment 40
Paragraph 6

deleted

Or. fr

Amendment by Cristobal Montoro Romero

Amendment 41
Paragraph 6

6. Welcomes the Commission proposal to strengthen the national energy regulators' independence, to enhance their powers, to reinforce coordination between them and the cooperation between Transmission System Operators (TSO); *considers that this independence must not hamper the political action European governments have to take in order to foster competition, ensure security of supply and protect the environment in the internal gas and electricity markets;*

Or. en

Amendment by Ieke van den Burg and Bernhard Rapkay

Amendment 42
Paragraph 7

7. Stresses the need to harmonise the levels of powers and independence of energy regulators *in order to enable strong coordination at European level and to discourage abuse of regulatory powers for national protectionist purposes;*

Or. en

Amendment by Heide Rühle and Alain Lipietz

Amendment 43
Paragraph 7 a (new)

- 7a. *Shares the views of the Commission that the powers of national regulators need to be strengthened and that European coordination must be enhanced, particularly as regards to cross-border issues; calls on the creation of a EU regulator whose exclusive tasks would consist of overcoming the current regulatory cross-border gap;*

Or. en

Amendment by Jean-Paul Gauzès

Amendment 44
Paragraph 8

8. *Agrees that notwithstanding national regulator's prerogatives, a regulatory body at European level is necessary to ensure rapid and effective progress in managing the issues necessary to make cross border trade work effectively; calls on the Commission to propose the most appropriate institutional framework;*

Or. en

Amendment by Sophia in 't Veld

Amendment 45
Paragraph 8

8. *Agrees that the ERGEG+ approach is the most suitable for rapid and effective progress in harmonising the technical issues necessary to make cross-border trade work effectively; considers Commission involvement appropriate where necessary to ensure that due account was taken of the Community interest;*

Or. en

Amendment by Werner Langen

Amendment 46
Paragraph 8

8. *Agrees that the ERGEG+ approach is the most suitable for rapid and effective progress*

in harmonising the technical issues necessary to make cross-border trade work effectively ***and to accelerate the establishment of regional markets;***

Or. en

Amendment by Christian Ehler

Amendment 47

Paragraph 8

8. Agrees that the ERGEG+ approach is the most suitable for rapid and effective progress in harmonising the technical issues necessary to make cross-border trade work effectively ***and to accelerate the establishment of regional markets;***

Or. en

Amendment by Werner Langen

Amendment 48

Paragraph 9

9. Welcomes the proposal to grant existing associations of TSOs an institutional role with formal obligations and objectives (“ETSO+\GTE+ solution”); ***encourages*** the setting up of independently owned cross-border system operators (deletion) to make sure that competition is strengthened and not hampered; believes that efforts should also be made to bring about a gradual evolution towards regional system operators;

Or. en

Amendment by Jean-Paul Gauzès

Amendment 49

Paragraph 9

9. Welcomes the proposal to grant existing associations of TSOs an institutional role with formal obligations and objectives (“ETSO+\GTE+ solution”); ***stresses the necessity of a high quality and secure access to networks, and therefore calls for a European common regulation on networks management;***

Or. en

Amendment by Jean-Paul Gauzès

Amendment 50

Paragraph 9

9. Welcomes the proposal to grant existing associations of TSOs an institutional role with formal obligations and objectives (« ETSO+/GTE+ solution »); considers **also** that further thought **should** be given (**deletion**) to bring about a gradual evolution toward a more integrated transmission system at regional level

Or. en

Amendment by Christian Ehler

Amendment 51

Paragraph 9

9. Welcomes the proposal to grant existing associations of TSOs an institutional role with formal obligations and objectives (“ETSO+\GTE+ solution”); **encourages** the setting up of independently owned cross-border system operators so as to make sure that competition is strengthened and not hampered; believes that efforts should also be made to bring about a gradual evolution towards regional system operators;

Or. en

Amendment by Cristobal Montoro Romero

Amendment 52

Paragraph 9 a (new)

- 9a. Stresses its deep concern regarding certain protectionist initiatives undertaken by some European governments, justifying their position by referring to the defence of strategic sectors, and alleged national general interest; underlines that protectionism within the single market goes against the European construction; in the energy sector, it impoverishes the security of supply, it reduces the efficiency, increases therefore the prices to be paid by consumers and damages sustainable development;**

Or. en

Amendment by Benoît Hamon

Amendment 53
Paragraph 9 a (new)

9a. *Questions the legitimacy of independent institutional platforms;*

Or. fr

Amendment by Heide Rühle and Alain Lipietz

Amendment 54
Paragraph 10

deleted

Or. en

Amendment by Cristobal Montoro Romero

Amendment 55
Paragraph 10

10. Encourages the Commission to take action against Member States that unduly protect national ***or European*** energy champions, including through the use of the "golden share"; ***emphasises that the promotion of those champions can damage the competitiveness of the companies, the level of competition in the energy market and the interests of the consumers; insists on the need of companies that provide a quality service for citizens and are able to compete not only in a national or European level, but in the global market;***

Or. en

Amendment by Zsolt László Becsey

Amendment 56
Paragraph 10

10. Encourages the Commission to take action against Member States that unduly protect national energy champions, including through the use of the "golden share"; ***the same political standards are requested to follow with regards to the old and new Member States, taking into account the special role of the energy sector in the catching-up process of the economies in new Member States;***

Or. en

Amendment by Werner Langen

Amendment 57

Paragraph 10

10. Encourages the Commission to take action against Member States that unduly protect national energy champions, including through the use of the "golden share" ***and against Member states with regulated tariffs which hamper competition and market integration;***

Or. en

Amendment by Jean-Paul Gauzès

Amendment 58

Paragraph 10

10. Encourage the Commission to take action against Member states that unduly protect national energy champions, including the ***unjustified*** use of "golden share";

Or. en

Amendment by Benoît Hamon

Amendment 59

Paragraph 10 a (new)

- 10a. Stresses that protecting the European energy market at international level is essential to safeguard the viability of the European economy in a world energy market and that blindly opening up this sector would weaken European operators and the economic position of the European energy sector;***

Or. fr

Amendment by Sahra Wagenknecht

Amendment 60

Paragraph 10 a (new)

- 10a. Points to the fact that the protection of national energy corporations against hostile***

takeovers actually prevents a further concentration in the European energy and gas market;

Or. en

Amendment by Sophia in 't Veld

Amendment 61
Paragraph 11 a (new)

11a. Considers that subsidies for non-renewable sources of energy should be eliminated thereby ensuring a level playing field, that external environmental costs should be internalised in the price of energy and that market-based instruments should be used to achieve environmental and energy policy objectives;

Or. en

Amendment by Sahra Wagenknecht

Amendment 62
Paragraph 12

deleted

Or. en

Amendment by Heide Rühle and Alain Lipietz

Amendment 63
Paragraph 12

12. Notes that targeted high-standard universal and public service obligations (USOs and PSOs) should comply with state aid rules **as interpreted by the European Court of Justice** and that competition law applies with respect to price discrimination and restrictions on re-sale; stresses that it is of crucial importance to assess the impact of the remaining regulated supply tariffs on the development of competition, and to remove distortions;

Or. en

Amendment by Benoît Hamon

Amendment 64

Paragraph 12 a (new)

12a. Notes that price regulation by national authority regulators makes it possible to maintain a level social and economic playing field throughout the Union, but also to exercise control over resources and energy and to allow reinvestment in research and renewable energies;

Or. fr