

Proposal for a Regulation of the European Parliament and of the Council on the internal market for electricity (recast)

EURELECTRIC voting recommendations

November 2017

EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity by 2050

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

Continent-wide electricity through a coherent European approach

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

EURELECTRIC. Electricity for Europe.

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Introduction

This document contains a detailed list of voting recommendations, from the European electricity sector's perspective, concerning a selection of key amendments to the Commission's proposal for a Regulation of the European Parliament and of the Council on the internal market for electricity (recast).

The following issues are particularly crucial:

Energy prices

Energy prices should reflect market fundamentals, including scarcity in terms of time and location. We welcome amendments i) strengthening EC proposals removing price caps and floors to ensure free price formation and ii) asking to harmonise technical price limits, if any, among all bidding zones and markets to avoid market distortions.

We also support amendments allowing Member States to establish more than one estimate of a VOLL to cover different bidding zones, consumer categories or duration of outage.

→ Support Amendments: 31-34, 458-459, 463, 465, 470, 472, 475-476

Capacity allocation and congestion management

To ensure that the optimal level of cross-border capacity is allocated to the market in a cost-efficient way, and to ensure non-discrimination between internal and cross-border trade, it is crucial to include in the Regulation a provision on the sharing of re-dispatching and countertrading costs to ensure that TSOs get the right financial incentives and economic signals. We therefore welcome amendments going in this direction.

Regarding Bidding Zone configuration, we welcome amendments aiming at improving the CACM process and limiting supranational intervention to cases when there is no agreement between Member States.

→ Support Amendments: 43-49, 653-656, 664,-665, 669, 671-674, 678, 681-686, 690, 693, 697, 698.

→ Reject Amendments: 668, 675, 679, 680, 684-686, 689, 694, 699, 700-, 707, 711, 714-715.

EU DSO entity

EURELECTRIC welcomes the establishment of an EU DSO entity and therefore rejects the amendment proposals which propose the contrary. We support amendments stating that the EU DSO entity must embrace all types of DSOs in Europe and carefully select its tasks.

It is important to highlight that the entity should be an expert organisation and should not engage in lobbying activities, and we therefore also reject amendments which may give a different impression. The governance structure as well as the voting rights should be clearly defined in the statutes. Any detail for this in the legislation will impose a robust process which may require amending of EU law should changes be necessary at a later stage.

→ Support Amendments: 123, 1368-69, 1372, 1376, 1382, 1410-11, 1420-22, 1425, 1427.

→ Reject Amendments: 1361, 1377-78, 1380, 1386, 1390, 1393, 1395, 1403-04, 1437-39.

Integration of Renewable Energy Sources (RES)

EURELECTRIC welcomes better visibility for investors in RES while aiming at their further integration into the market. We therefore oppose retroactive measures and support amendments that aim at avoiding future exemptions to balancing responsibilities. In the same way, non-market based curtailment should be an exception. EURELECTRIC is therefore in favour of amendments providing full financial compensation to generation or demand.

→ Support Amendments: 23-25, 35-39, 317, 355, 591, 612, 637, 649.

→ Reject Amendments: 40-42, 327, 328, 331, 336, 337, 340, 341, 354, 482, 496, 498, 499, 511, 513-515, 543-546, 561, 563, 565, 583, 586, 602.

Network charges & congestion income

EURELECTRIC supports overarching principles for network tariffs such as cost reflectiveness, fair cost allocation and promotion of incentives for efficient network usage since all these elements provide a level playing field. We welcome amendments calling for tariffs not to include unrelated costs supporting other policy objectives (e.g. taxes and levies) as this would distort production, consumption and investment decisions.

While we call for harmonisation of transmission tariff structures, we are in favour of amendments respecting the peculiarities of distribution tariffs as the best way to align with the principle of subsidiarity and proportionality. On the use of congestion income, we support amendments clarifying that i) maintaining interconnection capacities can also be ensured through redispatching and countertrading and ii) congestion income may still be used for the reduction of tariffs under certain conditions.

→ Support Amendments: 735, 741, 780-781.

→ Reject Amendments: 726, 733, 738, 744, 750, 755, 765-766.

Resource adequacy assessment

The European mid-term adequacy assessment shall be taken into account but shall not be considered as a binding factor for Member States to introduce SoS measures (e.g. capacity markets). EURELECTRIC welcomes the amendment calling for several complementary adequacy assessments with different geographical scope (European, regional, national) and granularity in the underlying assumptions. Clarity and transparency are of paramount importance in the establishment and assumptions of the European mid-term adequacy assessment and relevant stakeholders should therefore be consulted.

→ Support Amendments: 58, 858, 862, 868, 880, 899, 901, 902, 906, 923, 925, 926.

→ Reject Amendments: 57, 845, 866, 867, 895.

Capacity Mechanisms (CMs)

Capacity mechanisms, where needed, are market-based solutions that deliver long-term system adequacy by valuing reliable and firm capacity. EURELECTRIC supports amendments providing a clear framework for the design and implementation of CMs (e.g. market based procurement). Imposing a CO2 Emission Performance Standard on power plants participating in capacity mechanisms is not an adequate tool for a cost-effective low-carbon transition.

→ Support Amendments: 72, 74, 980, 1038, 1046, 1061, 1062, 1087, 1088, 1116.

→ Reject Amendments: 63, 885, 886, 932, 1012, 1029, 1037, 1066, 1068, 1073, 1074, 1089.

Regional Operation Centres (ROCs)

A stepwise regional approach to system operation (i.e. meant to optimise regional welfare) is a key prerequisite to complete the internal energy market and integrate renewables. The EC proposal on ROC is one way to implement such approach and is overall a good framework for discussion.

EURELECTRIC supports amendments ensuring the independence of ROCs and their transparency (e.g. consultation of stakeholders, ROCs activity reports to be shared with market participants). We also support amendments requesting a justification and transparency from TSOs when they decide to deviate or not implement a ROC's instruction.

Finally, we reject amendments that propose not to go beyond the scope of the existing RSCs. Enhanced regional approach to system operation should be accompanied by a strengthened regional governance framework for Member States and NRAs. In this regard, the very constructive amendments (49, 1215, 1216, 1222, 1225, 1226, 1234, 1238 -1241) tabled in the Electricity Directive go in the right direction.

→ Support Amendments: 107, 117, 119, 120, 1236, 1256, 1272, 1271, 1339, 1345.

→ Reject Amendments that propose not to go beyond the scope of the existing RSCs.

Network Codes

The EU DSO entity should be able to co-develop Network Codes (NCs) with ENTSO-E and ACER, on an equal footing, and be part of developing the NC priority list. Hence, we reject all the amendments to the contrary. We support those amendments which ensure that NCs and guidelines do not intervene with Member States' competencies, and are technology neutral. The introduction of new NCs should be considered carefully. The focus should be on the adoption and implementation of existing NCs and guidelines at both the regional and national level.

- Support Amendments: 1122, 1456-57, 1476, 1480, 1485-86, 1494, 1516-17, 1519, 1525, 1537-1539.
- Reject Amendments: 1121, 1437, 1438-39, 1441, 1450, 1455, 1463, 1466, 1469, 1470-71, 1481-82, 1488, 1490, 1493, 1497-98, 1500-01, 1504-05, 1507-08, 1511-12, 1514-15, 1518, 1527-28.

ELECTRICITY MARKET FUNCTIONING			
EP Amendment	Article	EURELECTRIC Recommendation	Comments
359, 361, 362, 366, 370, 371	Art. 5.1 & 2	Support	Participation rules in balancing market: All amendments strengthening the principle that all market participants have access to the balancing market, be it individually or through aggregation, on a level-playing field are going in the right direction.
367, 368		Reject	Rules for participation in the balancing market should ensure a level-playing field between all market participants, whatever the technology.
375	Art. 5.3	Reject	EURELECTRIC is opposed to integrated process for the procurement of balancing energy and capacity.
377	Art. 5.5	Reject	Interactions of Intraday and Balancing markets: The amendment undermines the importance to have balancing energy gate closure time after the intraday cross-zonal gate closure time. Without this link, it is possible that the balancing market closes before the intraday market. This would force market parties to choose between both markets, potentially reducing the liquidity in the intraday market.
379, 380	Art. 5.5 & 6	Reject	Balancing energy pricing: In order to allow the balancing market to function optimally and the imbalance price to correctly signal the cost of balancing actions by TSOs, free pricing of balancing energy bids is essential. As an end target, EURELECTRIC supports a move towards marginal pricing for imbalance price and for BSP remuneration. In the transition, when different balancing products are used, a volume weighted average of the individual marginal prices can be used.
394, 396, 397, 398	Art. 5.7 & 8	Support	Balancing capacity sizing and procurement: EURELECTRIC supports future regional entities (or ROC or their future name) to actively facilitate the coordination of balancing capacity sizing and procurement. This will enhance cross-border exchanges, optimise balancing capacities at regional level and is of utmost importance to the energy transition.
27, 376, 383, 391, 393, 404		Reject	We oppose the following amendments that: <ul style="list-style-type: none"> - Go against a regional facilitation of balancing capacity sizing and procurement - Allow reservation of cross-border capacity by TSOs for balancing purposes. It is better to have a limit than no or undefined limit, but the key criteria should be cost-efficiency. - Request to perform regional balancing capacity procurement only at the day-ahead and intraday. The timing foreseen in Electricity Balancing guideline should be respected.
420	Art. 6.2	Support	This amendment on bidding zone delineation adds a useful criterion for DA and ID markets. However, this should come

			on top and not replace the as important principle of non-discrimination between internal and cross-zonal trades.
426	Art.6.3 & 7.3	Support	Participation rules in day-ahead and intraday market should ensure a level-playing field between all market participants, whatever the technology.
423, 430, 431		Reject	
28, 427, 428	Art. 7.1	Reject	Intraday cross-zonal gate closure time as defined in the CACM guideline should be respected.
30, 437, 441, 442	Art. 7.4	Reject	Imbalance Settlement Period harmonisation: <ul style="list-style-type: none"> - We support the initial EC proposal to harmonise ISP to 15 min by 2025 in all control areas at wholesale level to ensure a level playing field between all market parties. - An earlier deadline or harmonisation below 15 min would involve excessive adaption costs across the whole value chain (generation, trading, retailing, distribution) and would not ensure a cost-efficient transition.

ENERGY PRICES

EP Amendment	Article	EURELECTRIC Recommendation	Comments
31, 32, 33, 458, 459, 463, 465, 470, 472	Art. 9.1 & 2	Support	Energy prices should reflect market fundamentals, including scarcity in terms of time and location. Barriers to free price formation, including price caps and floors, should be removed. When energy markets are coupled (e.g. day-ahead, intraday and balancing markets), the technical price limit, if any, should be the same among all bidding zones and markets to avoid market distortions.
34, 475	Art. 10.1	Support	Member States may see a need to establish more than one estimate of a VOLL, but this is not necessarily restricted to the existence of more than one bidding zone in the country. Also different consumer categories or duration of outage may result in different estimates of VOLL.
474		Reject	Member States and ultimately regions shall define system adequacy targets using homogeneous metrics.

INTEGRATION OF RENEWABLE ENERGY

EP Amendment	Article	EURELECTRIC Recommendation	Comments
23, 313	Art.4.1	Support	EURELECTRIC believe that all market participants shall be responsible for their imbalances. Moreover, there should be no new or additional exemptions, e.g. specific provisions based on the size of the projects or the type of technologies.
317		Reject	
314		Reject	
327, 328	Art.4.2	Support	
24, 329, 330, 332, 334		Reject	
331	Art.4.2 (a)	Reject	
333, 335	Art.4.2 (b)	Support	
336, 337, 340, 341		Reject	
25, 347, 348, 349,		Support	

350, 351, 352, 353	Art.4.3			
354		Reject		
355	Art.4.3 a (new)	Support		
344	Art.4.2 (c)	Support	In order not to damage the investment environment in the sector, EURELECTRIC deems that existing exemptions to balancing responsibility should be kept . Until the implementation of the new market design outlined by the Commission, the existing market rules for balancing should prevail.	
490	Art.11.1	Support	Redispatch and curtailment management shall be technological neutral and only based on market mechanisms , except when curtailment has been dealt with through connection agreements. Non-market based curtailment should be an exception where market-based mechanisms are not functioning. Market-based mechanisms must ensure that all commercial offers are exhausted before any form of non-market based measures is used.	
40, 563, 565, 567, 570	Art.12.2	Reject		
581, 583, 586	Art.12.4 a	Reject		
589	Art.12.4 b	Reject		
591	Art.12.5	Support		
598, 599, 601	Art.12.5 (a)	Reject		
602	Art.12.5 (a) a (new)	Reject		
41	Art.12.5 (b)	Reject		
612	Art.12.5 (c)	Support		
42, 616, 617		Reject		
621	Art.12.5 (c) a (new)	Reject		
622, 626	Art.12.5 (d)	Reject		
482	Art.11.1	Reject		EURELECTRIC believes that dispatch and re-dispatch should be market-based . We disagree with additional exemptions and to extend priority of dispatch to new markets, especially in markets or regions where it currently does not apply. Until the implementation of the new market design outlined by the Commission, the existing market rules for dispatching should prevail.
35		Support		
496, 497, 498, 499, 503, 504, 510, 511	Art.11.2	Reject		
36, 492, 493, 495, 508, 509		Support		
515	Art.11.2 (a)	Reject		
518		Support		
519, 520, 522	Art.11.2 (b)	Reject		
524, 526, 527	Art.11.3	Support		
37, 529, 530, 531, 533	Art.11.3-1			
38	Art.11.3-2			
543, 546, 544, 545, 551	Art.11.4	Reject		
552, 553, 555	Art.11.4	Reject	EURELECTRIC thinks that no new rules should be created in case of phasing out of priority of dispatch .	
39, 548	Art.11.4	Support	EURELECTRIC supports the fact that generation facilities that were granted priority of dispatch/access require compensation to accept new roles in the electricity market. Therefore, EURELECTRIC encourages the development of these incentive schemes , where market participants may voluntarily accept new responsibilities.	

561	Art.11.5	Reject	Priority of dispatch should in no case be a possible justification for curtailment of cross-border capacities.
637	Art.12.6	Support	Redispatch and curtailment management shall only be based on market mechanisms. Non-market curtailment should be an exception. In non-market decision making processes, generation or demand shall be fully financial compensated for the lost revenues opportunity (incl. energy component and incentives) and for any additional costs. Such compensation mechanism should however avoid the risk of manipulation or counter-productive incentives.
633, 634	Art.12.6 (a)	Reject	
635, 636	Art.12.6 (b)	Reject	
649	Art.12.6 b (new)	Support	
640, 642	Art.12.6 (b)	Support	

CAPACITY ALLOCATION & CONGESTION MANAGEMENT

EP Amendment	Article	EURELECTRIC Recommendation	Comments
653, 654, 656	Art. 13.1	Support	Bidding zone delineation: EURELECTRIC fully agrees that larger bidding zones, that duly take into account the capacity of the grid and that respect structural bottlenecks ensure the most efficient dispatch, maximise economic efficiency as well as cross-border capacity allocation.
655	Art. 13.1	Support	Capacity allocation and polluter-pay principle: To ensure that the optimal level of cross-border capacity is allocated to the market in a cost-efficient way and to ensure non-discrimination between internal and cross-border trade, it is crucial to include in the Regulation a provision on sharing of re-dispatching and countertrading costs to ensure that TSOs get the right financial incentives and economic signals.
43, 44, 45, 46, 47, 48, 49, 664, 665, 669, 671, 672, 673, 674, 678, 681, 682, 683, 684, 685, 686, 690, 693, 697, 698	Art. 13. 3 - 8	Support	CACM guideline process to review bidding zone delineation: <ul style="list-style-type: none"> - Amendments aiming at suppressing the already foreseen CACM process to review bidding zone delineation are unrealistic and unnecessary. The regular assessment foreseen as part of the CACM process is welcome and allows an informed debate between all relevant stakeholders. - Amendments aiming at improving this process are however welcome by enhancing stakeholders'/ impacted Member States engagement, ensuring that all available solutions/tools to solve congestions are assessed on an equal basis and that the process is less biased towards splitting bidding zones. <p>The proposal to introduce a supranational decision-making process should take place only if there is no agreement between the MS (and/or other relevant neighbours) on the capacity calculation region especially where there is an impact on cross-border trade.</p>
668, 675, 679, 680, 684, 685, 686, 689, 694, 699, 700		Reject	

702, 707, 711, 714, 715	Art. 14.3 & 7	Reject	<p>Capacity allocation principles:</p> <p>Amdt 702: Good intention to introduce a “polluter pay principle” but it does not cover all situations: this is not only about unscheduled flows. What happens if/when in between grids restrict the use of neighbouring grids?</p> <p>Amdt 707, 711: An efficient market-based dispatch system to deal with congestions should ensure non-discriminatory access to cross-zonal capacity. Limitation of interconnection capacity could be justified only when it is beneficial to economic efficiency at Union level or where it is necessary for maintaining operational security.</p> <p>Amdt 714, 715: EURELECTRIC supports that TSOs could benefit from a derogation to the principles of maximising cross-border capacity to the market for operation security reasons only if duly and publicly justified, limited in time, granted by NRA following consultation of all NRAs (and decision of ACER in case of disagreement) and provided that TSOs commit to provide long-term solutions.</p>
709	Art. 14.4	Reject	The target model, as defined in the CACM Guideline, calls for implicit continuous trading. Local and cross-border continuous trading is essential. Auctions and continuous trading are hardly compatible – some alternative proposals could be investigated to interrupt continuous trading in a less radical manner.

NETWORK CHARGES

EP Amendment	Article	EURELECTRIC Recommendation	Comments
726, 733	Art. 16.1	Reject	The deletion of the principle of non -discrimination between production connected to DSOs and production connected to TSOs undermines one of the overarching principles network tariffs should be based on.
735 and 50	Art. 16.1	Support	Proposal fully in line with EURELECTRIC suggestion. We do believe that tariffs should not include unrelated costs supporting other policy objectives (e.g. taxes and levies) as this would distort production, consumption and investment decisions.
738	Art16.2	Reject	Clarification is required regarding the meaning of “efficient investments”. There are some investments, e.g. R&D, that may not be efficient, but still be required by the DSO. The word “interconnection” should either be omitted or clarified since interconnections are not mainly funded through network tariffs.
741	Art16.2	Support	EURELECTRIC supports the focus on incentives to

			transmission and distribution tariff to foster digitalisation.
744, 746	Art16.3	Reject	Content and rationale of this proposal is vague and unclear. EURELECTRIC calls for non-distance-related tariffs and no provision of locational signal with the exception of connection charges.
750	Art16.7	Reject	EURELECTRIC is in favour of more capacity-based tariffs which reflect the more efficient use of the distribution network.
755	Art16.7	Reject	The reason for this proposal is unclear, since most of the connection costs are recovered through specific contribution schemes, not through network tariffs. Even network reinforcements related to new connections are not separated from other network investments, so there is no specific element within the network charges, which is meant to recover these investments.
765-766	Art16.8	Reject	The proposals are restrictive and weaken the chances for DSOs to get incentives. In addition, they recognise as eligible costs only those which are reasonable and efficient narrowing down the scope of application of the incentives.
780-781	Art16.9	Support	EURELECTRIC believes that the harmonisation of the structure and ultimately the level of transmission tariffs are required to ensure a level-playing field. Distribution tariffs area matter of national legislation and as such should reflect the local specificities.

CONGESTION INCOME

EP Amendment	Article	EURELECTRIC Recommendation	Comments
51, 52, 53, 801, 802, 803, 804, 807, 809, 810, 811, 812, 814, 818	Art. 17.2	Support	<p>We support amendments clarifying that:</p> <ul style="list-style-type: none"> - Maintaining interconnection capacities can also be ensured through redispatching and countertrading. - If the revenues cannot be efficiently used for the purposes set in the Regulation and there is no foreseeable prospect to do so in the future, congestion income may still be used for the reduction of tariffs.
805, 819, 821		Reject	<p>Amdt 805: Each transmission infrastructure project should be assessed through a sound and transparent cost benefit analysis (CBA) to demonstrate whether the overall social welfare is maximised or not, as already foreseen in Regulation 347/2013, and should be treated on an equal footing as other capacity or flexibility options (generation, storage and demand response).</p> <p>Amdt 819, 821: We welcome that the use of congestion income is subject to a methodology proposed by ACER and approved by the Commission.</p>

RESOURCE ADEQUACY ASSESSMENT			
EP Amendment	Article	EURELECTRIC Recommendation	Comments
836, 844	Art.18.1	Support	The European mid-term adequacy assessment performed by ENTSO-E shall be factored in but shall however not be considered as a binding factor for MS to introduce security of supply measures (e.g. capacity mechanisms). On the contrary, several adequacy assessments with different geographical scope (European, regional, national) and granularity in the underlying assumptions should be taken into account by Member States.
845	Art.18.1	Reject	
862	Art.18.2	Support	
840	Art.18.1	Support	The identification of the source/cause of the adequacy concerns by Member States is a positive step. By improving the functioning of their markets and committing to a clear timeline/roadmap, Member States will positively contribute to adequacy and security of supply. However, imposing very prescriptive measures to Member States (e.g. give priority to SR, implement administrative scarcity pricing, etc.) would create additional distortions.
855, 857, 858,	Art.18.2	Support	
57, 866, 867	Art.18.3	Reject	
868		Support	
58, 880	Art.18.3 (a) new	Support	
59, 881	Art.18.3 (b) new	Support	
874, 875, 876, 877	Art.18.3 (a, b, c, d) new	Reject	
60, 61, 882, 883, 884	Art.18.3 (c, d, e) new	Support	
888, 892	Art.19.1	Support	
64, 65	Art.19.1 a new & b new	Support	
66	Art.19.3	Support	
895		Reject	
67	Art.19.3.1 a new	Support	
68, 901, 902, 903	Art.19.4 (b)	Support	EURELECTRIC supports that ENTSO-E is developing an improved European methodology building upon their experience on the mid-term adequacy forecast. On top of being publicly consulted and approved by ACER, such methodology should be developed by expert groups involving all relevant stakeholders, including market parties, member states, NRAs, system operators.
899	Art.19.4 (a) a new	Support	
905, 906	Art.19.4 (c)	Support	
69	Art.19.4 c new	Support	
924, 925, 926, 927	Art.19.6	Support	
70, 934, 935, 936, 937, 938	Art.20.1	Support	All Member States should define and publicly disclose their desired level of SoS target based on harmonised metrics - and not only MS that apply capacity mechanisms. While the choice of adequacy metrics should be harmonised, each country should be free to set its desired level of adequacy.
947	Art.20.3	Reject	

CAPACITY MECHANISM (CM)			
EP Amendment	Article	EURELECTRIC Recommendation	Comments
886	Art.18.3.a (new)	Reject	Market-based mechanisms such as carbon markets are the most cost-effective and efficient tool for mitigating greenhouse gas emissions and stimulating investments in low carbon technologies and energy efficiency. The combination of an effectively reformed EU ETS and improved EU electricity market design can lead to meaningful carbon price signals to drive investments to mature low carbon technologies. A CO₂ EPS in capacity mechanisms could have unintended consequences on competitiveness, decarbonisation and security of supply. In addition, no preference should be given to strategic reserve. The Regulation should rather establish principles for the implementation and design of capacity mechanisms (e.g. market based, open to all assets, technology neutral) as part of the electricity market design. This would facilitate a European coordinated approach on capacity mechanism as demonstrated in the DG COMP final report on the sector enquiry.
63, 885	Art.18 a (new)	Reject	
932	Art.19 a (new)	Reject	
1012	Art.23.1	Reject	
1029	Art.23.2	Reject	
1066, 1068, 1073, 1074	Art.23.4	Reject	
1061, 1062		Support	
1081	Art.23.4 (a) new	Reject	
879	Art.18.3.a (new)	Reject	
941, 942, 943	Art.20.2	Reject	
72	Art.23.1	Support	
1013		Reject	
1018, 1019, 1021, 1023, 1024, 1025, 1027	Art.23.1-1 new, -2 new, -3 new	Reject	
74, 1038	Art.23.3	Support	
1046	Art.23.3 (a) new	Support	
1086	Art.23.4 (c) new	Reject	
14, 15	Art.2.2 (u, v)	Support	
9, 952, 955	Art.21.1, recital 31	Reject	EURELECTRIC believes that cross-border participation should apply to all types of mechanisms aimed at ensuring security of supply, including strategic reserves.
980	Art.21.5	Support TBC	EURELECTRIC generally advocates for a principle of exclusivity (no double commitments or earnings) in CMs targeting overlapping time frames for scarcity or overlapping periods of obligation.
1037	Art.23.5	Reject	The European mid-term adequacy assessment performed by ENTSO-E shall be factored in but shall however not be considered as the only binding factor for MS to introduce security of supply measures (e.g. capacity mechanisms). Should the outcome of a national adequacy assessment substantially differ from the European one, Member States shall explain these differences.
1089		Reject	
1087, 1088		Support	
1104	Art.23.5	Support	Whereas existing capacity mechanisms implemented before or under the Energy and Environmental State Aid Guidelines (EEAG) must be respected to avoid negative impact on investment decisions, EURELECTRIC would welcome transitional measures by MS to adapt in a reasonable
1115	Art.24.1	Support	
1107		Reject	

			timeframe those mechanisms towards a design compatible with the EEAG.	
1116	Art.24 (a) new	Support	We support the establishment of the Electricity Market Design Advisory Board which will allow gathering from all relevant stakeholders innovative visions for the functioning of a fully decarbonised electricity market in 2050.	
REGIONAL OPERATION CENTRES (ROCS)				
EP Amendment	Article	EURELECTRIC Recommendation	Comments	
1147	Art.31.3	Support	EURELECTRIC supports the establishment of ROCs and their ability to adopt instructions based on a cooperative decision-making with national TSOs and regular consultation of relevant stakeholders (e.g. in the cooperative decision making process of ROCs). We welcome the fact that the European Parliament has recognised the need of a number of clarifications and improvements in terms of governance, timeline and regional delineation.	
83, 1155	Art.32.1	Support		
1164, 1165, 1166	Art.32.3 (a, b & c) new	Support		
1158	Art.32.2 a (new)	Support		
1242	Art.35.1 point d	Support		
100, 1236	Art.35.1 point b	Support		
97, 98, 1238	Art.35.1 point c	Support		
103, 1256	Art.37.1 & Art.37 a (new)	Support		
1264	Art.38.1	Support		
1153	Art.32.1	Reject		EURELECTRIC believes that ROCs tasks should be built upon the tasks performed by existing Regional Security Coordination Initiatives . Yet, a gradual allocation of the responsibility to regional entities is needed . EURELECTRIC would like to see more clarity and ambitions on ROC tasks as it will determine the efficiency of the regional cooperation. In our view, the most important tasks for a regional and cooperative decision-making are the following: coordination of capacity calculation; coordination of security analysis/adequacy assessments; planning and coordination of network investment decisions; facilitation of balancing capacity sizing and procurement.
1167, 1210, 1213, 1215, 1216, 1217, 1218, 1221	Art.32 a (new) & Art.34.1	Reject		
84	Art.32.2	Reject		
85, 86, 1161	Art.32.3	Reject		
91, 1197, 1198, 1199, 1200	Art.34.1 point h	Reject		
96	Art.34.4	Reject		
101, 102	Art.35.1 c, d	Reject		
105	Art.38.1	Reject		
106	Art.38.2	Reject		
108	Art.38.3	Reject		
112	Art.40.3 d	Reject		
116	Art.41.2	Reject		
1223	Art.34.2	Support		
1282	Art.38.4 (a)	Support		
109		Reject		
1263	Art.38.1	Reject	EURELECTRIC thinks that there should be a common procedure for the adoption of instructions in all the ROCs. Indeed, developing different procedures would make the cooperation more difficult between the ROCs.	
107 (new), 1267, 1272, 1271	Art.38.2	Support	EURELECTRIC welcomes the possibility for national TSOs to: derogate from the ROC's instructions in cases when the	

1273	Art.38.3	Support	safety of the system would be negatively affected and to follow a clear process for the revision of ROC's instructions. Should a TSO decide to deviate or not implement a ROC's instruction, full transparency on this choice and systematic justification shall be ensured, not only towards the ROC and other TSOs of the system operation region, but also towards the relevant NRAs and the market. In the same way, ROCs should be independent, fully transparent and provide reports on their activities, costs, etc.
1296	Art.39.3	Support	
111, 1303, 1304	Art.40.2	Reject	
113	Art.40.4	Reject	
114	Art.41.1	Reject	
117, 1332	Art.43.1	Support	
1337	Art.43.3	Support	
119, 1339	Art.43.4	Support	
1341	Art.43.5	Support	
120, 1345	Art.44.1	Support	
Amendments that propose not to go beyond the scope of the existing RSCs.		Reject	We do not support these amendments that apply throughout the Regulation. These would impede efficient regional cooperation and considerably slow down progress towards a truly integrated Internal Electricity Market.

NETWORK CODES

EP Amendment	Article	EURELECTRIC Recommendation	Comments
1121	Art.27.1.a	Reject	The NC topics listed in Art. 55.1 should not be of a binding but of an enabling nature.
1122	Art.27.1.a	Support	
1437, 1438, 1439, 1441	Art. 52	Reject	EURELECTRIC supports the EU DSO entity to co-develop NCs and guidelines with ENTSO-E and ACER. EU DSO entity should be part of developing the priority list for the NCs together with ACER and ENTSO-E.
1450, 1455	Art. 54.1	Reject	
1488, 1493	Art. 55.2	Reject	
1494	Art. 55.2	Support	
1497, 1498	Art. 55.4	Reject	
1500, 1501	Art. 55.8	Reject	
1504, 1505	Art. 55.9	Reject	
1507, 1508	Art. 55.10	Reject	
1511, 1512	Art. 55.11	Reject	
1514, 1515	Art. 55.12	Reject	
1516, 1517	Art. 55.13	Support	
1518	Art. 55.13.a(new)	Reject	
1519	Art. 55.14	Support	
1525	Art. 56.2	Support	
1527, 1528	Art. 56.2	Reject	
1537, 1538, 1539		Support	
1456, 1457	Art. 54.2	Support	
1463, 1466	Art. 55.1.g	Reject	EURELECTRIC questions whether addressing the new areas actually requires a brand new set of NCs and guidelines, or if an expansion of the current NCs and guidelines would be sufficient. Some of the proposed NCs go very much into MS's competencies. For example distribution tariffs are a matter of national regulation and should not be subject to a network code. EURELECTRIC opposes development of technology specific NCs such as non-frequency ancillary services and demand response.
1469, 1470, 1471	Art. 55.1.k	Reject	
1476	Art. 55.1.m	Support	
1480	Art. 55.1.n	Support	
1481	Art. 55.1.n	Reject	
1482	Art. 55.1.(new)	Reject	
1485, 1486	Art. 55.1.p	Support	

1490	Art. 55.2	Reject	Proposal for drafting committees for the network codes. All of this should be defined in the statutes and not in an EU regulation as we already stated for rules, procedures and further details of the EU DSO Entity.
EU DSO ENTITY			
EP Amendment	Article	EURELECTRIC Recommendation	Comments
1361, 1377, 1378, 1380, 1386, 1390, 1393, 1395, 1403, 1404, 1438, 1439, 1437	Art 49, 50, 51, 52	Reject	Proposal to remove any reference to the EU DSO Entity and therefore, to avoid its establishment. Proposal also to remove the consultation in the network code development process.
1364	Art 49	Reject	We support all amendments which open the eligibility to all DSOs in Europe.
1368, 1369, 1382		Support	
121, 122	Art 49 (1) a new, Art 50 (a)	Reject	Proposal for a body to be designated by Member States to represent those DSOs who are not unbundled. We should avoid mixing up DSOs with body representatives. We suggest opening the entity to all DSOs and the proxy issue will be established in the statutes.
1372	Art 49 (1) (a) new	Support	Clarification of which the EU DSO entity shall act independently from national interests.
1376	Art 49 (a) new	Support	Clarification of voluntary participation and equitable treatment of all members DSO regardless their size, including in the decision –making procedures
1383, 1392, 1391	Art 50 (1)	Support	Proposal to include the decision-making procedures in the list of documents to be sent by the DSOs to ACER and to the EC. Even it may be part of the statutes which are already included is a way of clarification.
1385	Art 50 (1)	Reject	Definition of tasks to be carried out by the Entity which shouldn't be specified in this article but in art 51
1387	Art 50 (2)	Reject	Addition to create rules related to the independence of the EU DSO Entity from its members. This addition is superfluous.
1394	Art 50 (4)	Reject	Proposals entering in the details of the establishment of the Entity, such as the Secretary General and the Secretariat. All of this should be defined in the statutes and not in an EU regulation.
1400, 1402, 1436, 1490	Art 50 (a) new Art 51 (a) (new) Art 55 (2)	Reject	Proposal for rules, procedures and further details such as voting rights and drafting committees for the network codes. All of this should be defined in the statutes and not in an EU regulation.
1406	Art 50 (1) a	Reject	Deletion of the coordination in operation and planning between TSOs and DSOs
1410, 1411	Art 51 (1) a,	Support	Minimum changes for the tasks and activities of the DSO

1420-1422, 1425, 1427, 123	b, c, d, e		Entity.
1407, 1408, 1413, 1419, 1426		Reject	Wording has been change to “adopt recommendations” or “give advice”. The EU DSO entity should be an expert organisation and should not engage in lobbying, therefore, they should not recommend anything but write network codes.
1423	Art 51 (1) e	Reject	Changes in the tasks data management, cybersecurity and data protection. The relevance of DSO data for cross border exchange should be limited to non-existent.
1412	Art 51 (1) c	Reject	Specification on the development of Demand Response notably via aggregators. It should be developed in general with the involvement of all relevant parties.
1430	Art 51 (1) f	Reject	The wording “participation” in the network codes has been changed to “contributing via issuing opinion”. We believe that the EU DSO Entity and ENTSO-E should have the same level playing field.
1431	Art 51 (1) f-a (new)	Reject	The markets products should be defined only at national level and the amendment is proposing cross-border bidding zones.
1432	Art 51 (2) a	Reject	The provisions from the EC are sufficient.
1441	Art 52 (1)	Reject	Modification from ‘possible NCs’ to ‘new NCs’ closes the door to modification of existing codes which may require same modifications in the future without the proposed consultation process.
TSOs AND DSOs COOPERATION			
EP Amendment	Article	EURELECTRIC Recommendation	Comments
1445, 1448	Art 53 (1)	Support	Good suggestion for cooperation between TSOs and DSOs at the same level and proposal for formal cooperation mechanisms between both system operators.
1446, 1447	Art 53 (2)	Reject	Addition to avoid contracts between system operators and flexibility services providers which prevent those providers from selling their services in other markets. Flexibility can be offered in different timeframes and for different purposes, but only used once.

OTHER ISSUE: THIRD COUNTRY PARTICIPATION

EP Amendment	Article	EURELECTRIC Recommendation	Comments
1547	Art.61 (a) new	Reject	These amendments put at risk both the physical integration of any third country into European electricity markets and could derail the ongoing negotiations between the EU and Switzerland on a bilateral electricity agreement.
1561	Art.63 (a) new	Reject	

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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