Electricity Regulation Trilogue Negotiations

Eurelectric recommendations

May 2018

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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Markets Committee
DSO Committee

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KEY MESSAGES

The negotiations on the Electricity Regulation between the European Commission (EC), the Council and the European Parliament (EP) are expected to start shortly. With this paper, Eurelectric would like to play a constructive role in the inter-institutional debates and underline its key messages on market design:

- **Imbalance Settlement Period:** Predictability is key for investments and for fulfilling EU climate and energy goals. Whilst we support the harmonisation of the imbalance settlement period (ISP) to 15 minutes, we think that exemptions and derogations permitted in the guideline on electricity balancing should be respected. We also wish to stress that this important change may require an adequate transition period.

- **Capacity allocation and congestion management:** The principle of "economic efficiency first" proposed by the Commission in its initial proposal should be preserved. Increasing the availability of commercial capacity across borders is crucial to allow further market integration and to contribute to the success of the energy transition. Eurelectric is fully supportive of the EC original proposal for Art. 14, which is reflective of ACER Recommendation 02/2016, forcing TSOs to explore the most efficient congestion management options from a system perspective. We believe that, if there is no conflict with regards to RSC capacity calculation, there is no need to set a minimum threshold.

- **Phasing out priority of dispatch and balancing responsibilities:** To foster future RES development, market integration of RES is needed. The proposals by the Commission regarding short-term markets are overall in line with the requirements to properly integrate RES generation in the market. We oppose retroactive measures and future exemptions to balancing responsibilities and priority of dispatch. Non-market based curtailment should be an exception. We are supportive of full financial compensation to generation and/or demand facilities.

- **Capacity Mechanisms (CMs) & resource adequacy:** While we welcome the clear framework provided by the Council for the design and implementation of CMs, we stress that CMs should not be considered as temporary. Capacity contracts should not be limited to 1 year as this contradicts the objective of CM to provide investment signals for firm capacity needed to ensure security of supply (SoS). European adequacy assessments are essential, but they should not be the only binding factor to introduce SoS measures. We think they should be completed by national & regional adequacy assessments: this regional dimension is missing in all the current proposals. Finally, the Council's distinction between new and existing plants with regards to the EPS in CM as well as its new proposed provisions constitute a step forward for the upcoming negotiations.

- **Regional Security Coordinators or Regional Coordination Centres:** A simple coordination framework would not allow market participants and, ultimately, consumers to reap all the benefits of an improved European electricity market. Eurelectric therefore supports both the Council and the European Parliament positions ensuring the independence of RSCs/RCCs and requesting justifications and full transparency from TSOs when deviating from RSC/RCC's instructions.

- **EU DSO entity and Network Codes:** We welcome the fact that participation of different sized DSOs and a geographical representation from different countries is promoted both by the European Parliament and the Council. However, we do not support prescribing the detailed governance structure and voting rights in the Regulation. Doing so would indeed require amending EU law if changes are necessary at a later stage. Corresponding details should be carefully analysed and deployed in the statutes under the scrutiny of ACER and the Commission. Moreover, we support the removal of the network code on harmonisation of distribution and transmission tariffs and call for careful consideration of all new Network Codes not to overlap or contradict with existing ones.

Item	Commission (30.11.2016)	Parliament (vote 21.02.2018)	Council (General Approach)	Eurelectric preferred option
Recital (48)	MS and the Energy Community Contracting Parties should closely cooperate on all matters concerning the development of an integrated electricity trading region and should take no measures that endanger the further integration of electricity markets or security of supply of MS and Contracting Parties.		MS, [ ] the Energy Community Contracting Parties **and other third countries which are applying this Regulation or are part of the synchronous grid of Continental Europe** should closely cooperate on all matters concerning the development of an integrated electricity trading region and should take no measures that endanger the further integration of electricity markets or security of supply of MS and Contracting Parties.	**<u>Council:</u>** ensure system stability and electricity market integration within the synchronous grid of Continental Europe.
Definitions CMs (Art.2.u)	CMs defined as an administrative measure	Same as EC (Art.2.u)	CMs defined as an administrative measure or a **market based measure**.	**<u>Council</u>**: it takes notes of CMs being market-based measure.

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Principles regarding the operation of electricity markets (Art.3)	Principle of prices to be based on supply & demand. Cautioned against intervention on price. Free price formation, active customer participation, free cross-border trade, level playing field for all technologies, free entry and exit of the market, incentivise regional cooperation, barriers to cross-border electricity flows and cross-border transactions to be avoided etc.	Principle of prices to be based on supply and demand. Cautioned against intervention on price. Free price formation, active customer participation, free cross-border trade, level playing field for all technologies, free entry and exit of the market, incentivise **strong** regional cooperation, barriers to cross-border electricity flows and cross-border transactions to be **removed**, electricity generation operators bear full financial and legal responsibility deriving from their assets etc.	Principle of prices to be based on supply and demand. Cautioned against intervention on price. Free price formation, active customer participation, free cross-border trade, level playing field for all technologies, free entry and exit of the market, incentivise regional cooperation, barriers to cross-border electricity flows **between BZ or MS** and cross-border transactions to be avoided, **market participants have a right to obtain access to the transmission and distribution networks on objective, transparent and non--discriminatory terms.**	**Commission, Parliament or Council:** these principles are crucial to allow for an efficient functioning of wholesale electricity markets and to promote further integration.
Just transition Art. 3.a (new)	**/**	Addition of an amendment on just transition (Art.3.a new)	**/**	**Parliament:** we support a "just transition" in regions affected by structural change through various means proposed. "Just transition" could also be included in the Multiannual Financial Framework (MFF) post 2020.
Price Restrictions	No price cap unless set at the VoLL.	No price cap or floor. Market operators may apply technical	No price cap or floor, without prejudice to the **technical**	**Council:** - Reference to technical limits that

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(Art.9)	No price floor unless set at a value of minus 2000 €/MWh or less.	limits on maximum and minimum bidding limits for day-ahead and intraday timeframes.	**price limits** which may be applied in the balancing timeframe. Nominated electricity market operators may apply **harmonised limits on maximum and minimum clearing prices** for day-ahead and intraday timeframes taking into account the maximum value of lost load.	do not go against the idea of no price cap/floor, - Recognition of the need to harmonise technical price caps in coupled/interconnected market.
Value of lost load ("VoLL") (Art.10)	1 year after entry into force, MS to establish a single estimate of the VoLL to be publicly available. MS may establish different VoLL per BZ if they have several BZ in their territory.	1 year after entry into force, MS to establish a single estimate of the VoLL to be publicly available. In case of cross-border BZ, MS to establish a common estimate of the VoLL.	1 year after entry into force, MS to establish a single estimate of the VoLL to be publicly available. NRAs or competent authority designated by MS can establish different VoLL per BZ if they have several BZ in their territory. In case a BZ consists of territories of more than one MS, the concerned MSs shall establish a single VoLL for that BZ.	<u>**Council:**</u> Recognition of the need to harmonise VoLL in cross border BZ.
Day-ahead and intraday Markets (Art.6)	Improvements in the DA and ID market formation.	Improvements in the DA and ID market formation (same as EC).	Improvements in the DA and ID market formation (delete "ensure trades are anonymous").	<u>**Commission or Parliament:**</u> market operators should indeed be free to develop products but, at the same time, they should also work on common solutions. However Nemo

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			Deleted: "Market operators free to develop products and trading opportunities that suit market participants' demand and needs and ensure that all market participants are able to access the market individually or through aggregation."	should not develop products by themselves, justifying the fact that they do not share the liquidity on the common merit order list.
Trade on DA and ID markets (Art.7)	Market operators to allow market participants to trade energy as close to real time as possible and at least up to the ID cross-zonal gate closure time. Market operators to provide products for trading in DA and ID markets which are sufficiently small in size, with minimum bid sizes of 1 MW or less. By 01.01.2025, ISP period to be set to 15 min.	Market participants can trade energy as close to real time as possible **and at least up to 15 min before real time across all bidding zones.** Market operators to provide products for trading in DA and ID markets which are sufficiently small in size, with minimum bid sizes of 500 kW. **By 01.01.2021, ISP to be set to 15 min.**	Market operators to allow market participants to trade energy as close to real time as possible and at least up to the ID cross-zonal gate closure time. **By 01.02.2021, ISP to be set to 15 min** unless regulatory authorities have granted a derogation or an exemption.	**Council or Commission** as both are in line with the Electricity Balancing Guideline (EBG) regarding the ISP harmonization implementation. In addition, harmonisation between ISP at wholesale and retail level should pay special attention to the lifetime of already installed smart meters to avoid non cost-efficient adaptation costs on the distribution side. We also support the possibility for exemptions and derogations, as proposed by the Council (also included in the EBG). Eurelectric supports gate closure time as close to real time as possible, but should take into account balancing processes. The EP proposal leads to overlaps with some existing balancing processes. The provision as such cannot be implemented within the deadline suggested by the EP.

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Balancing market (Art.5)	Market participants to have access to balancing market in a non-discriminatory way. Balancing market to take into account the different technical capability of generations. Marginal pricing to be used for the settlement of balancing energy for each standard product. Market participants shall be allowed to bid as close to real time as possible, and at least after the intraday cross-zonal gate closure time. Maximum use and efficient allocation of cross-zonal capacity across timeframes. Imbalances to be settled at	Market participants to have access to balancing market in a non-discriminatory way. All generation to be enabled to participate on equal footing in balancing markets. **The settlement of balancing energy shall be based on marginal pricing**. Market participants shall be allowed to bid as close to real time as possible, and **balancing energy gate closure times shall not be before intraday cross-zonal gate closure time.** Maximum use and efficient allocation of cross-zonal capacity across timeframes. Imbalances to be settled at a	Market participants to have access to balancing market in a non-discriminatory way. Balancing market to respect the need to accommodate increasing shares of variable generation & increased demand responsiveness & the advent of new technologies. **For standard and specific balancing products, the settlement of balancing energy shall be based on marginal pricing.** **With more product convergence**, the settlement of both standard and specific balancing products shall be based on marginal pricing, pay as cleared, unless impossible due to non-comparable products. For this last case, market parties shouldn't have to face distortions. Maximum use and efficient allocation of cross-zonal capacity across timeframes. Imbalances to be settled at a	**<u>Parliament:</u>** we disagree with the Council's proposal. Eurelectric supports that, ultimately, with more product convergence, the settlement of both standard and specific balancing products shall be based on marginal pricing, pay as cleared, unless impossible due to non-comparable products. For this last case, market parties shouldn't have to face distortions.

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	a price reflecting real time value of energy.	price reflecting real time value of energy. MS to report on the functioning and transparency and access to the balancing markets.	price reflecting real time value of energy. The imbalance price to be equal to a bidding zone.	
Balancing market (5.7, 5.8 & 5.9)	Dimensioning of reserve capacity & amount of balancing capacity procurement to be done on a regional level. Procurement of balancing capacity to be facilitated on a regional level.	Dimensioning of reserve capacity & amount of balancing capacity procurement to be done on a regional level. Procurement of balancing capacity to be performed by TSOs. Reservation of cross-zonal capacity for the exchange of balancing capacity limited to 5% of the available capacity for the exchange of energy of the previous relevant calendar year between the respective BZ.	Dimensioning of reserve capacity to be done by TSOs. Procurement of balancing capacity to be performed by TSOs and facilitated on a regional level. **At least for a minimum of 40 % of the standard products used for balancing capacity**, the contracting of balancing capacity to be performed for no longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum of one day. Possibility (request of TSOs with conditions) to extend the contracting period of the remaining part of the balancing capacity **to 12 months.**	Regarding balancing capacity procurement, we favour the **Council's** approach which tend to recognise better the specificities of products and still maintains possibility for procurement on multiple auctions with various lead times. While we welcome the extension from 3 months to 12 months, the conditions to obtain such derogation seem very difficult to reach (i.e. proving that the exemption would lead to lower costs to consumers).

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			Limit to 40% of balancing capacity procurement to one day and the rest to one month (and maximum 12 months after derogation).	
Reserve capacity (Annex 1 7.1 b, 8.1a and 8.2a)	Regional sizing of reserve capacity to be performed only at the DA and/or ID.	Same as EC	Deleted	**Council** – as mentioned above, procurement on multiple auctions with various lead times seems to be the most relevant design.
RES Balancing responsibility (art.4)	Market participants to be financially responsible for imbalances. Exemptions kept: - demonstration projects - power generating facility, using RES or high-efficiency cogeneration with a total installed electricity capacity of **less than 500 kW** - MS may incentivize market participants to be balancing responsible against compensation.	Market participants to be financially responsible for imbalances. Exemptions kept (same as EC, one change below): - If derogations, MS to ensure that the **financial responsibilities for imbalances are fulfilled by another party.**	Market participants to be financially responsible for imbalances. Exemptions kept: - demonstration projects **for emerging technologies** - power generating facility, using RES or high-efficiency cogeneration with a **total** installed electricity capacity of less than **250** kW - MS may incentivize market participants to be balancing responsible. - If derogations, MS to ensure that the **financial responsibilities for imbalances are fulfilled by another party.**	We reiterate that: - All market participants shall be responsible for their imbalances. - In order not to damage the investment environment in the sector, existing exemptions should be kept. - There should be no new or additional exemptions e.g. specific provisions based on the size of the projects or the type of technologies. - Generation facilities currently exempted from balancing may require compensation to accept new roles in the electricity market on a voluntary basis. We nevertheless recognise that the **Council's** proposal is going in the right direction as it is pushing for

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	- Derogations from balancing responsibility for power generating facilities commissioned after 01/01/2026, only for those using RES or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW.		- Derogations from balancing responsibility for power generating facilities commissioned after 01/01/2026, only for those using RES or high-efficiency cogeneration with a total installed electricity capacity **of less than 150 kW**. **MS may apply a lower threshold.**	more market exposure for RES and allows MS to incentivize market participants to be balance responsible. Therefore, we recognise the effort to lower the thresholds proposed by the Commission.
Priority of dispatch (Art.11)	Priority of dispatch for all generation to be market based & non-discriminatory. Exemptions kept: - generating installations using RES or high-efficiency cogeneration with an installed electricity capacity of less **than 500 kW** - demonstration projects for innovative technologies (Art.11.3) Where the total capacity of generating installations subject to priority dispatch is higher than 15 % of the total installed generating capacity in a MS, exemption	Priority of dispatch for all generation to be market based & non-discriminatory. Exemptions kept: - generating installations using RES or high-efficiency cogeneration with an installed electricity capacity of less than **500 kW** - demonstration projects for innovative technologies: MS can apply **higher limits to LECs** (Art.11.3) MS may request to the EC not to provide exemptions to priority of dispatch if it can show to the EC several conditions, including: no priority dispatch exists; its liquid ID, wholesale and balancing markets are fully accessible to	Priority of dispatch for all generation to be transparent & non-discriminatory. Exemptions kept: - generating installations using RES or high-efficiency cogeneration with an installed electricity capacity of less than **250 kW** - demonstration projects for emerging technologies (Art.11.3) Power generating facility commissioned as from 01/01/2026, exemption to generating installations using RES or high-efficiency cogeneration with an installed electricity capacity of **less than 150 kW**. **MS may apply**	We reiterate that: - Dispatch and re-dispatch should be market-based. - Existing exemptions should be kept and there should be no new or additional exemptions, namely specific provisions based on the size of the projects or the type of technologies. - Generation facilities that were granted with priority of dispatch or access may require compensation to accept new roles in the electricity market. As stated above, we recognise that the **Council** proposal is going in the right direction as it is pushing for more market exposure for RES. Therefore, we recognise the effort to lower the thresholds proposed by

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	to generating installations using RES or high-efficiency cogeneration with an installed electricity capacity of **less than 250 kW.**	all market players; its curtailment rules and congestion management are transparent to all market parties. EC to approve or reject a request for exemption within 6 months. Any exemption granted shall avoid retroactive changes.	**a lower threshold.**	the Commission.
Re-dispatching and curtailment (Art.12)	Resources curtailed or redispatch to be selected amongst generation or demand facilities submitting offers using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation to be used only if no market-based alternative or all available market-based resources have been used	Resources curtailed or redispatch to be selected amongst generation or demand facilities submitting offers using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation to be used for operational security reasons only. Extends and details the system operators reporting on redispatching (more transparency).	Resources curtailed or redispatch to be selected amongst generation or demand facilities submitting offers using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation may be used only if all available market-based resources have been used or the current grid situation leads to congestion in such a regular and predictable way that market-based redispatch would lead to regular strategic bidding which would increase the level of internal congestion.	Council: We underline that countertrading is a market-based measure that should be considered on an equal footing with redispatching and curtailment. More focus should be made on market mechanisms and on compensation for non-market decisions. Redispatch and curtailment management shall only be based on market mechanisms. Non-market based curtailment should be an exception where market-based mechanisms are not functioning. Yet, TSOs and DSOs should be able to take into account limited redispatching in their network planning in order to prevent inefficient over-dimensioning of

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	Network planning can take into account limited redispatch: maximum 5% of installed capacities can be curtailed Where non-market based measures are used, financial compensation at least equal to “**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.” 12.4 a) DSOs shall guarantee to transmit electricity produced from renewable energy sources, which “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	Network planning can take into account limited redispatch: maximum 5% of installed capacities can be curtailed Where non-market based measures are used, financial compensation at least equal to “net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the redispatching request” 12.4 a) DSOs shall guarantee to transmit electricity produced from renewable energy sources, which “shall not prevent t network planning from taking into account limited curtailment or redispatching where **they can demonstrate in a transparent way that** this is more economically efficient and does not exceed	Network planning can take into account limited redispatch: maximum 5% of **annual generated energy** can be curtailed Where non-market based measures are used, financial compensation at least equal to “net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the redispatching request” 12.4 a) DSOs shall guarantee to transmit electricity produced from renewable energy sources, which “shall not prevent network planning from taking into account limited [ ] redispatching where this is shown to be more economically efficient and, [ ] does not exceed 5 % of [ ]**the annual generated**	grids. The limit of 5% should refer to energy and not to capacity as it is inefficient to build the network to capture almost maximum wind capacity for only a couple of hours per year, as stated below on Art. 12.4 a). In non-market based decision making processes, generation or demand shall be fully financial compensated for the lost revenues opportunity and for any additional costs. In this regard, we support the amendments made by the Council. 12.4 a) We recommend to allow DSOs to plan for economically efficient redispatching up to 5 % of “annual generated energy”, as agreed in the **<u>Council</u>**, instead of “installed capacity”, as proposed by the Commission and approved in the current European Parliament draft report, since this allows a more flexible use of re-dispatch in order to decrease congestions in the grid with

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	installed capacities using renewable energy sources or high-efficiency cogeneration in their area"	5 % of installed capacities using renewable energy sources"	**electricity in installations** using renewable energy sources [ ] **and which are directly connected to their respective grid."**	high penetration of variable renewables.
General principles of capacity allocation and congestion management (Art.14)	Countertrading and redispatch to maximise available capacities cost-efficiently. TSOs not to limit volume of interconnection capacity unless for operational security.	Countertrading and redispatch to maximise available capacities cost-efficiently. TSOs not to limit volume of interconnection capacity unless for operational security. **Minimum threshold of 75% of cross-border trade capacity (thermal capacity)**	TSO may not implement coordinated actions issued by RSC the in the coordinated capacity calculation but need to justify. **Introduction of clear provisions on sharing of re-dispatching and countertrading costs, including a "polluter pays principle"** **Minimum threshold of 75% of the remaining available margin (RAM)** on internal and cross border critical network elements made available for cross border flows.	<u>**Commission**</u>: TSOs to maximise cross-border capacities in a cost-efficient way from a European welfare perspective. A 75% minimum threshold is not the right tool to achieve the optimal welfare. We should follow the principles set in the existing CACM guidelines. As both the Parliament and the Council agree on the principle of a minimum threshold, Eurelectric strives to reconcile the Commission, the Council and Parliament positions on Article 14 to ensure the effective integration of electricity markets: - RSCs to calculate cross-border capacities in a cost-efficient way from a European welfare perspective. - Where all relevant NRAs do not agree on the methodology pursuant to CACM, ACER may decide a methodology including a minimum level of cross-zonal capacity to 75% of the thermal capacity of the relevant cross-

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				border network elements, or another value in case ACER can demonstrate that this latter value improves economic efficiency at Union level.
Network charges – overarching principles (Art.16)	(16.1) Principles: Network charges shall be transparent, cost reflective, applied in a non-discriminatory manner and take into account the need for network security and flexibility. (16.2) Incentives: Tariffs shall grant appropriate incentives to TSOs and DSOs. (16.3) Locational signal: possibility to provide locational signal through network charges is maintained but network charges shall not be distance-related.	(16.1) Same as EC + **Grid tariffs shall not include unrelated costs supporting other policy objectives, such as taxes or levies. They shall neutrally support overall system efficiency in the long run through price signals to consumers and producers and they shall as far as possible not discriminate between production connected at the distribution level and at the transmission level, either positively or negatively.** (…) (16.2) Similar to EC (16.3) Same as EC	(16.1) Same as EC. (16.2) Tariff methodologies shall reflect appropriate incentives and fixed costs of TSOs and DSOs. (16.3) Same as EC	**<u>For 16.1.: Parliament:</u>** In line with Eurelectric's earlier amendments to the text **<u>For 16.2.: Council</u>:** is clearer as it makes clear that the allowed revenues set incentives for DSOs, not the tariffs. It is also more technology neutral
Distribution tariffs (Art.16)	(16.7) Distribution tariffs - shall reflect the cost of use of the distribution network by system users including active consumers. - may be differentiated based on system users'	(16.7) **Transmission and** distribution tariffs: - shall be cost-reflective - **may contain grid connection capacity elements** and may be differentiated (16.8) Similar to EC	(16.7) (…) Where MS have implemented the deployment of smart metering systems, time differentiated network tariffs **may be introduced**, reflecting the use of the network, in a transparent and	**<u>For 16.7: Council:</u>** No need for further prescription at EU level on what elements distribution tariffs should or should not contain, however, it should say "dynamic network tariffs", instead of "time differentiated tariffs". This is because ToU based

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	consumption and/or generation profiles. Where smart metering systems exist, NRAs may introduce ToU time differentiated network tariffs. (16.8) NRAs shall provide incentives to DSOs to procure services for the operation & development of their networks and integrate innovative solutions in the distribution systems.	(16.7) **Transmission and** distribution tariffs: - shall be cost-reflective - **may contain grid connection capacity elements** and shall be time-differentiated after the implementation of smart meters	foreseeable way for the consumer. (16.8) **The allowed revenues to be covered through d**istribution tariffs may include performance targets in order to incentivise DSO **to operate their networks as efficiently as possible.**	network tariffs may be implemented without smart-meters, as long as meters are able to provide metering data per ToU period (e.g. peak, half-peak and off- peak periods). **<u>For 16.8.: European Parliament or Commission:</u>** Scope of incentives and innovation possibilities is enlarged for DSOs
Harmonisation (Art.16.9)	(16.9) By 3 months after entry into force, ACER shall provide recommendation addressed to NRAs on the progressive convergence of transmission and distribution tariff methodologies.	(16.9) By 3 months after entry into force the Agency shall **evaluate the feasibility** on the convergence of transmission and distribution tariff methodologies.	(16.9) By 3 months after entry into force **to mitigate the risk of market fragmentation** the Agency shall provide a **best practice report** on transmission and distribution tariff methodologies **while leaving sufficient room to take national specificities into account.**	**<u>Council:</u>** The convergence and harmonisation of the structure, and ultimately the level of transmission tariffs are needed to ensure a level-playing field. For transmission tariffs applied to generators in particular at transmission level, their level should be set as low as possible, in particular for the power-based charges (€/MW) which act as a fixed cost, distort investment and decommissioning decisions.
Harmonisation (Art. 55)	(55.1k) EC is empowered to adopt NC as delegated acts on rules regarding harmonised transmission	(55.1k) **Deleted**	(55.1k) EC is empowered to adopt NC as delegated acts on rules regarding harmonised transmission tariff structures	**<u>For Art. 55.1k: Council:</u>** Eurelectric welcomes the development of a network code on transmission tariffs to mirror principles of a level-playing

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	and distribution tariffs.			field for generators in the IEM. In contrast, distribution tariffs are a matter of national regulation as they are closely linked to local specificities. Hence, an EU-wide harmonisation approach to distribution tariffs via a network code is not justified especially given their low impact on cross border trade. However, we believe that distribution tariff structures should follow the high level principles defined in Art. 16.
Performance targets (Art.16.8)	NRAs shall introduce performance targets in order to incentivise DSOs to increase the level of efficiency in their networks.	NRAs shall introduce performance targets r to incentivise DSOs to raise efficiencies, including energy efficiency, **flexibility and the digitalisation of the distribution networks including the deployment of smart grids and intelligent metering systems,** in their networks.	**The allowed revenues to be covered through** distribution tariffs may include performance targets in order to incentivise DSOs **to operate their networks as efficiently as possible.**	**<u>Council:</u>** Most flexible option and leaves details to national discretion.
Congestion income (Art.17.2-3)	(17.2) Any revenues resulting from the allocation of interconnections shall be used for: (a) guaranteeing the actual availability of the allocated capacity; and/or (b)	(17.2) (a) guaranteeing the actual availability of the allocated capacity; **or** (b) maintaining or increasing interconnection capacities through **optimisation of the usage of existing**	(17.2) (a) guaranteeing the actual availability of the allocated capacity **including firmness compensation;** (b) maintaining or increasing interconnection capacities through network	**<u>Council</u>:** Any revenues resulting from the allocation of interconnections shall be used for: 1) guaranteeing the actual availability of the allocated capacity – keeping in mind that there might be a need to spend money for costly remedial actions (e.g. redispatching

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	maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors. If the revenues cannot be efficiently used for the purposes set out above, they shall be placed on an internal account line for future use. (17.3) The use of congestion income shall be subject to a methodology proposed by ACER.	**interconnectors by coordinated remedial and countertrading actions or** network investments, **up to the target value for transfer capacity at cross-border boundaries**. **Where the objectives** set out in points (a) **and** (b) of the first subparagraph **are fulfilled, the residual revenues may be used as income to be taken into** account **by NRAs when approving the methodology for calculating network tariffs and/or fixing network tariffs**. (17.3) Same as EC	investments, in particular in new interconnectors **and internal lines and internal lines which are listed in TYNDP of the ENTSO-E as being relevant to reduce interconnector congestion, (c) or if applicable, cross border remedial actions such as redispatch and counter-trading.** **The residual revenues may be used as income to be taken into** account **by NRAs when approving the methodology for calculating network tariffs and/or fixing network tariffs** (17.3) The use of revenues shall be subject to a methodology proposed **by the TSOs in consultation with NRAs** and approved by **ACER.**	and countertrading), including firmness compensation and/or 2) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors. Each transmission infrastructure project should be assessed through a sound and transparent cost benefit analysis (CBA) to demonstrate if overall social welfare is maximised or not and should be treated on an equal footing as other capacity or flexibility options. However, if the revenues cannot be efficiently used for the purposes set out above and there is no foreseeable prospect to do so in the future, we believe that congestion income might still be used for the reduction of tariffs.
Congestion income (Art.17.4)	TSOs shall clearly establish beforehand how any congestion income will be used and report on the actual use of that income. On an annual basis, the NRAs shall publish a report setting out the amount of	Similar to EC	**(17.3b)** TSOs 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 **1 March** each year, the NRA shall publish a report setting out	**Council**: TSOs shall report on the actual use of the congestion income. As a side note, it would be easier/more appropriate to use such a report if done on a calendar year basis rather than on a period 1st of July year N-1 / 30 June year N).

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	revenue collected for the 12-month period.		the amount of revenue collected for the 12-month period ending on **31 December** of the **previous calendar** year and how that revenue was used **pursuant to paragraph 2.**	
Resource adequacy (Art.18.1)	MS to monitor resource adequacy within their territory based on the yearly European adequacy assessment from ENTSOE.	MS to monitor resource adequacy within their territory based on the yearly European adequacy assessment from ENTSOE and to **publish a report on their monitoring.**	MS to monitor resource adequacy within their territory based on the European resource adequacy assessment and **may perform in addition national resource adequacy assessment**.	**Council:** its proposal takes into account more granularities. It introduces national resource adequacy assessment to the European assessment.
Resource adequacy (Art.18.2-3)	In case of adequacy issues, MS to identify regulatory distortions and publish a timeline to remove those, enable shortage pricing, develop interconnection, energy storage, demand side measures and energy efficiency.	In case of adequacy issues, MS to identify regulatory distortions and publish an implementation plan to remove those (based on principles Art.3), remove price caps, develop interconnection, energy storage, demand side measures and energy efficiency, **introduce an administrative shortage pricing for balancing energy.** MS to submit the plan to the EC for review. MS to monitor and publish results of the implementation plan, especially	In case of adequacy issues, MS to identify regulatory/ market distortions, system bottlenecks & publish a timeline to remove those (based on principles Art.3), enabling scarcity pricing, develop interconnections, energy storage, demand side measures and energy efficiency. (same as EC) If **national resource adequacy assessment identifies a concern (with regard to a BZ) & if the European assessment has not the body**	**Council:** it clarifies the processes in case national assessment diverges from the European assessment. Scarcity pricing as defined in the Parliament's version goes against the principles of "free price formation".

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		to ACER for opinion. EC to decide if reforms sufficiently implemented.	**governing the national assessment to consult ENTSO-E** and request for an opinion of ACER (to report reasons of divergences). ENTSO-E and ACER to provide opinions and assessments.	
Resource adequacy assessment (Art.19)	European adequacy assessment methodology to be based on relevant scenarios of projected demand and supply.	European adequacy assessment methodology to be based on: - relevant scenarios of projected demand and supply - **contains a worst case scenario reflecting the likeliness of the rare events a strategic reserve (SR)** is designed to address; the generation adequacy gap in such a worst case scenario to only justify a SR with a size of not more than 5% of the peak load of the respective MS;	European adequacy assessment methodology to be based on: - relevant scenarios of projected demand and supply. - reflects on how the different CMs address adequacy concerns; - **applies a single modelling tool** (possibility to use it for national scenarios, sensitivities and assumptions); - ensures that national characteristics of generation, demand flexibility and storage, the availability of primary resources and the level of interconnection are taken into consideration.	**<u>Council:</u>** it takes into account the national features, generation, demand flexibility and storage, the availability of primary resources and the level of interconnection Eurelectric nonetheless believes that there should still be a role for national assessments with a different methodology. Indeed, Member States should be granted the possibility to undergo assessment based on greater granularity or stress conditions.
National resource	/	/	(Art.19.a) National resource adequacy assessment to use	**<u>Council:</u>** its proposal takes into account more granularities. It

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adequacy assessments (Art. 19.a new)			the **same modelling tools as used by the ENTSO-E** for the European assessment and the same input data and other data to reflect national scenarios, sensitivities and assumptions. In addition to the national assessment, MS may perform a 2nd assessment using different modelling tools than those used by the ENTSO-E for the European assessment. National resource adequacy assessments, the assessment of ENTSO-E and the opinion of ACER to be public.	introduces national resource adequacy assessment in addition to the European assessment. Eurelectric nonetheless thinks that there should continue to be a role for national assessments with a different methodology. Indeed, Member States should be granted the possibility to undergo assessment based on greater granularity or stress conditions.
Cross-border participation in CMs (Art.21)	Direct participation of cross-border capacity (except for Strategic Reserves).	Direct participation of cross-border capacity (except for Strategic Reserves).	Direct participation of cross-border capacity (including for Strategic Reserves). In the case of CM in operation as of the entry into force, MS can allow direct participation in the same competitive process of interconnectors as foreign capacity for a maximum of 4 years after entry into force or 2 years following the approval of the	**Council:** cross-border participation to apply to all types of CMs. Penalties to avoid capacity providers “overcommitting” themselves. Nevertheless, we do not support the Council proposal for interconnection to participate directly in CMs. Where this specific design for cross-border participation is used; there should be a plan to phase it out within a year of the legislation, even if not enforced, and until no more than 4 years after

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	Multi participation in CMs.	Multi participation in CMs. Capacity providers to participate with no more than their available maximum capacity.	methodologies. MS can apply requirements to the foreign capacity. Multi participation in CMs. Capacity providers subject to multiple **non-availability payments** when they are unable to fulfil multiple commitments.	it comes into force.
550 Emission Performance Standard (EPS)	(Art.23) EPS of 550 g CO_2/kWh for all installations, 5 years after entry into force.	(Art.18 a new) EPS of 550 g CO_2/kWh for all installations with exemptions for SR. 5years after entry into force for existing installations and just after entry into force for new installations (Art.23) SRs have a limitation of emissions of 200kg/CO2/kW for the electricity production per year.	(Art.23) **<u>Existing power plants</u>** with CO2 emissions above **550 g CO2/ kWh or 700 kg** CO2 /installed kW (on average per year) can receive payments **up to 2030 (2035** for contract with remaining duration of <5 years (at 31.12.203)). The concerned capacity receiving remuneration for this participation should be reduced by 5%/year (Art.23) **<u>New power plants</u>** will be eligible after **2025** only if CO_2 emissions are below **550g CO2/kWh or below 700** kg CO2 on average per year per installed KW.	Eurelectric reiterates that an EPS coupled with CMs is not the right tool for cost-effective decarbonisation. In addition, it does not reflect the fact that stand-by capacity does not emit unless it actually generates. We endorse the introduction of an EPS requirement of maximum 550gr/kWh for new plants1 in CMs and do not support an EPS for existing plants in CMs as this would distort the market. **<u>Council:</u>** the proposal (Estonian Presidency press release version) rightly recognises the diverse impact of an EPS on existing plants and on peaking plants and introduces an alternative threshold of 700 kg CO2

[1] Final investment decision after 2020

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				on average per year per installed KW. We encourage the institutions to agree on a suitable implementation timeline for existing plants bearing in mind the diversity of MS' power mixes. For consistency, the same rules should apply to all types of capacity mechanisms, including strategic reserves.
General principles and design principles for CMs (Art.23)	(Art.23) European resource adequacy assessment as a binding factor to introduce CMs CM not to create unnecessary market distortions and not limit cross-border trade.	(Art.18 a new) European resource adequacy assessment as a binding factor to introduce CMs. (Art.18 a new) MS to do a study on impacts of introduction of a CM. MS to prioritize SR to address adequacy concerns. (Art.18 a new) CMs to be temporary and to be approved for no longer than 5 years. CM: - not **to create undue market distortions and not limit cross-border trade**; - not to go beyond what is	Resources in SR to be only dispatched in case TSOs are likely to exhaust their balancing resources to establish equilibrium between demand and supply. Resources taking part in the strategic reserve shall not get remunerated through wholesale electricity markets or balancing markets. CM: - not to create unnecessary market distortions and not to limit cross-zonal trade - be market-based;	**Council**: we welcome the clear framework provided by the Council for the design and implementation of CMs. We are yet concerned about the Council proposal stating that MS should include a provision to phase out CMs within 4 years (Art.23.5.a) which tends to a stop-and-go approach. It is crucial to provide market participants with appropriate market signals (prices, need for firm capacities, etc.) in the longer term. Eurelectric opposes the Parliament's proposal limiting the duration of capacity contracts to 1 year for existing installations as: - It goes against the objective of CMs to provide investment

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		necessary to address the adequacy concern; - to select capacity providers by means of a transparent, **non-discriminatory and market-based process** - **to be technology neutral**; - to be **open to participation of all resources** performance - to apply appropriate penalties to capacity providers when not available in the event of system stress; - **Capacity contracts awarded for max 1 year for existing installations.**	- be **open to participation of all resources** in a technology neutral manner and through fair and transparent rules - **be temporary**, but are permitted as long as the relevant resource adequacy assessment identifies a resource adequacy concern. When designing CMs, MS to include a provision allowing for efficient **phase-out of a capacity mechanism within 4 years if resource adequacy concern is no longer present**.	signals for firm capacity needed to ensure SoS (generation, demand response, storage); - It is not allowing operators to cope properly with the industrial constraint linked to maintenance cycles for existing assets.
ROCs establishment (Art.32)	To be established 12 months after entry into force.	To replace & cover RSC functions and to enter into operation 12 months after entry into force TSOS to adhere to a single RCC. TSOs to submit to NRAs of the region a proposal for RCC establishment. NRAs of the region to review & approve it. RCC to act independently from individual national interests and	RSC to take up their new tasks by 01.01.2025, but MSs can decide an earlier operation. TSO to submit a proposal for enhancement of RSC 12 months after entry into force. Detailed on what the proposal should include (participating MSs, organisational/ financial and operational arrangements etc.) TSOs to be responsible for	<u>**Council:**</u> the timeline of entry into operation of RSCs or RCCs is relevant. It also gives details of TSOs proposal to establish RSCs or RCCs.

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		from the interests of TSOs. TSOs to be responsible of the safety of the network.	managing electricity flows and ensure a secure, reliable and efficient electricity system RSC to complement the role of transmission system operators.	
ROCs geographical Scope (Art.33)	ENTSO-E to submit to ACER a proposal defining the geographical scope.	Same as EC (art.33)	Respective TSOs to submit a proposal to ACER defining the system operation regions covered by the RSC. ENTSO-E to submit to ACER a proposal specifying which TSOs, BZ, BZ borders, capacity calculation regions and outage coordination regions are covered by each of the system operation regions. If a MS is in multiple synchronous areas, TSO can be coordinated by two RSCs.	**Council:** it clarifies the case of a MS participating in different RSCs or RCCs geographical areas.
ROCs tasks (Art.34 & 38)	ROCs to execute system operation functions of regional relevance. ROCs to issue binding decisions for some	RCCs to execute system operation functions of regional relevance including **tasks related to support TSOs in the identification of needs** for new capacity, for upgrade of existing capacity or their alternatives. RCCs to issue binding decisions for some functions EC may add other functions to	RSCs to execute system operation functions of regional relevance for TSOs. Under joint proposal of NRAs and with consultation of TSOs and RSCs, MSs can provide	**Council**

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	functions. EC may add other functions to the ROC (not decision).	the RCC (not decision).	more advisory coordination tasks or binding decisions to RSCs.	
Governance of ROCs (Art.35-39)	TSOs can deviate from a ROC decision in cases when the safety of the system will be negatively affected. Day-to-day operation to be managed through cooperative decision-making. ROCs to plan consultations (TSOs and relevant stakeholders) & to develop a procedure for the adoption of binding decisions or recommendations and their revision.	TSOs can deviate from a RCC decision in cases when it could lead to a violation of operational security limits. Day-to-day operation to be managed through cooperative decision-making among the TSOs of the region. TSOs to develop a procedure for the adoption of binding decisions or recommendations and their revision (Art.38). RCCs to plan consultations (TSOs and relevant stakeholders). RCCs to organise a process for stakeholder involvement and organise regular meetings. RCC to operate in full transparency. TSOs to submit a detailed explanation to RCC & other	TSOs can deviate from coordinated actions of RSC if violation of the operational security limit. Day-to-day operation to be managed through cooperative processes. TSOs to develop a procedure for the adoption of coordinated actions and recommendations. RSC to plan consultations (TSOs, RSCs, & relevant stakeholders). RSC may consult MS and their **regional forums on matters of political relevance excluding the day-to-day activities of Regional Security Coordinators and the implementation of their tasks**. TSOs to transparently report the detailed reason why they	**<u>Parliament or Council:</u>** TSOs to justify when they opt out from RSCs or RCCs instructions. More transparency and stakeholders' involvement.

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		TSOs of the region without delay if deviate from RCC decision /recommendation (Art.38).	opt out (Art.38.2a)	
EU DSO entity (Art.49)	(Art.49) DSOs which are not part of a Vertically Integrated Utility (VIU) or which are unbundled according to art. 35 of the Electricity Directive shall cooperate at EU level through the so called DSO entity. DSOs who wish to participate shall become registered members of the entity.	(Art.49) 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 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 **have the right to** become registered members of the entity. Registered members may participate directly or through the national association designated by the MS or by a European association.	(Art.49) DSO shall cooperate at Union level. 1a. DSOs are entitled to associate themselves through the DSO entity, which shall be established at the latest by 31 December 2022. 1b. Members of the EU DSO entity shall be subject to registration and payment of a fair and proportionate membership fee.	We endorse the provision by the **Council** since all the DSOs in Europe shall have the right to participate in the entity and the proxy shall be also allowed. Otherwise it will be impossible to meet 2400 DSO. Yet, the proxy shall be determined by the DSOs and not by the MS or associations.

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EU DSO entity (Art.50.1)	(Art. 50.1). 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-E and other stakeholders and the financing rules, of the EU DSO entity to be established**.**	(Art. 50.1). 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 **participating distribution system operators and entities designated to represent distribution system operators**, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO-E and other stakeholders, **the decision-making procedure** and the financing rules, of the EU DSO entity to be established.	**Art. 50.1 [ ] Within** [OP: twelve months after entry into force], the distribution system operators [ ] shall submit to the Commission and to the Agency the draft statutes in **accordance with [Article 50a] including a code of conduct**, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO-E and other stakeholders **[ ]** and the financing rules, of the EU DSO entity to be established.	We support the previous provision from the **Commission**. We don't support the new article 50a proposed by the Council. We also believe that the provisions from the Parliament could create confusion as the word 'entity' is not defined anywhere. We prefer to leave the option for DSOs to choose their own proxy.
EU DSO entity (Art.50a)	/	New Art (50a) called ' Principal rules and procedures for the EU DSO entity for electricity'	New Art (50a) called ' Principal rules and procedures for the EU DSO entity for electricity'	**Commission:** We don't support the new article 50a that gives detailed rules and voting procedures without a proper Impact Assessment. Eurelectric considers that these elements need to be carefully considered and analysed before writing them into EU law.
EU DSO entity (Art.50.2)	Within two months of receipt, the Agency, after formally consulting the	Within two months of receipt, the Agency, after formally consulting the organisations	Same as the Commission	**Commission**

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	organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.	representing all stakeholders, in particular distribution system users **and consumer protection organisations**, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure**, taking into account in particular the rules related to the independence of the EU DSO, to the prevention of conflicts of interests, and to the necessity to ensure geographically balanced representation and equitable treatment of its Members**.		
EU DSO entity (Art.50.3)	The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.	The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure**, including the rules of procedures on the consultation with ENTSO-E and other stakeholders, the decision-making procedure and the financing rules,** taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.	Same as the Commission	**<u>Commission</u>**

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EU DSO entity (Art.50.6)	The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.	The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be **considered as eligible cost and** taken into account **by the regulatory authority** in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.	Same as the Commission	We endorse the amendment from the **Parliament**.
Tasks of DSO entity (Art.51)	TSO/DSO coordination, integration of RES, Decentralised Generation, storage in the DSO grids; development of DR, deployment of smart grids and smart metering; data management, cyber security and data protection; elaboration of NC, cooperation with ENTSOE.	Quite similar to the Commission Addition: promote standardization of data	**Promote** operation and planning of distribution networks **in cooperation with operation and planning of transmission networks; facilitation of the** integration of RES, distributed generation; **facilitation** demand **side flexibility and** response, **and distribution grid users' access to markets; contribute to the** digitalisation of distribution **systems; support the development of** data management, cyber security and data protection **in cooperation with relevant authorities and regulated**	We support the **Commission**'s text since it is more general and enabling. We are opposed to the Council's proposal to standardise data. Nonetheless interoperability is key and we support standards in this regard being an Implementing Act. Moreover, sufficient care should be given when elaborating new NCs so that there is no overlap or contradiction with existing NCs in their content.

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			entities; participation in the elaboration of network codes **which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks.**	
Tasks of DSO entity (Art.51.2a)	cooperate with ENTSO-E **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;	cooperate **effectively** with ENTSO-E**, the Agency and national regulators to facilitate** the monitoring **by the Agency and where relevant the national regulatory authorities** 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.	Same as the Commission	**Parliament**
Cooperation DSO-TSO (Art.53)	DSOs shall cooperate with TSOs in planning and operating their networks.	**DSOs and TSOs** shall cooperate in planning and operating their networks. **(art.53.1, new) The ENTSO-E and the EU DSO entity shall develop a formal mechanism to facilitate cooperation between**	**DSOs and TSOs** shall cooperate in planning and operating their networks, and in order to achieve coordinated access to resources such as distributed generation, energy storage or	We endorse the **Parliament** amendment since the cooperation has to be between them. We also support the new article which formalises the cooperation among system operators.

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		DSOs and TSOs.	demand response.	
New proposed NC areas (Art.55)	Delegated acts for implementation NCs to be developed in new areas.	Deleted new NCs in the following areas: (k) rules regarding harmonised transmission and distribution tariff structures and connection charges including locational signals and inter-TSO (p) rules concerning ROCs	Implementing acts for implementation. Deleted new NCs in the following areas: (k) distribution tariff structures and connection charges (p) rules concerning ROCs.	**Parliament:** welcome deletion of 55.1.k and 55.1.p as further NCs on these areas are not needed.
NCs drafting Process (Art.55.9)	ENTSO-E or EU DSO Entity (if relevant) to convene a drafting committee, consisting of representatives including limited number of main affected stakeholders.	Same as EC	Same as EC + ENTSO-E or the EU DSO entity **in cooperation with ENTSO-E** shall elaborate proposals for NC in the areas referred to in §1.	**Commission or Parliament:** We support the original proposal.
Amendments of NCs (Art. 56)	EC can establish Delegated acts for amendment of NCs		**Until 2025 EC can establish Implementing Acts for amendment of NCs**	**Commission:** Eurelectric supports the Commission to adopt or amend new NCs and guidelines through delegated acts. However, we emphasise the importance of involving stakeholders in the Expert Groups as part of a balanced comitology process with the aim to duly take into account the potential impact of the proposed delegated acts on the functioning of electricity markets and systems. The opinion of the Expert Groups should

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				be highly considered by the Commission when adopting NCs and guidelines
New proposed guideline Areas (Art.57)	EC may adopt or amend binding guidelines as delegated acts in new areas. Art.57.7 When adopting or amending guidelines, the Commission shall consult the Agency, ENTSO-E and other stakeholders where relevant.	(art.57.7) When adopting or amending guidelines, the Commission shall consult the Agency, ENTSO-E, **the EU DSO entity** and other stakeholders where relevant.	**Until 31 December 2025** the Commission may adopt binding guidelines by in the areas listed below. (art.57.7) When adopting or amending guidelines, the Commission shall consult the Agency, ENTSO-E, **the EU DSO entity** and other stakeholders where relevant.	**Parliament**: The DSO entity and ENTSO-E should have an equal role in guideline adoption and amendments.

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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