

Conditions for access to the network for cross-border exchanges in electricity. Third energy package

2007/0198(COD) - 18/06/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 574 votes to 34 and 36 abstentions, a legislative resolution, making some amendments to the Commission proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) 1228/2003 on conditions for access to the network for cross-border exchanges in electricity. The report had been tabled for consideration in plenary by Alejo **VIDAL-QUADRAS** (EPP-ED, ES), on behalf of the Committee on Industry, Research and Energy.

The main amendments- adopted in 1st reading of codecision - are as follows:

-new recitals state that, in order to ensure greater transparency regarding the entire electricity transmission network in the EU, the Commission should draw up, publish and regularly update a **road map**. All feasible electricity transmission networks and possible regional connections should be included in that road map. The competent authorities should regularly monitor the compliance of market participants with the rules.

Objective: MEPs specify that the Regulation should aim at facilitating the emergence of a well-functioning and transparent wholesale market with a high level of security of supply.

Increased powers for the Agency for the Cooperation of Energy Regulators: the Commission proposal had created the European Network of Transmission System Operators for electricity (ENTSOE) with power to adopt network codes, a 10-year investment plan, an annual work programme and research plans. Parliament, however, felt that the Agency should have increased powers. Accordingly, it stipulated that ENTSOE shall agree and submit to the Agency for approval, following the procedure provided, the following, inter alia: draft network codes in the areas mentioned in the text, elaborated in cooperation with market participants and network users; a 10-year investment plan, including a generation adequacy outlook, every two years; measures to ensure the real-time coordination of grid operation in normal and emergency conditions; guidelines on the coordination of technical cooperation between Community and third-country transmission system operators; an annual work programme based on the priorities set by the Agency. The Agency shall monitor the implementation of the network codes by ENTSOE.

ENTSOE: ENTSOE must publish a Community-wide 10-year network investment plan every two years following its approval by the Agency. The investment plan shall identify investment gaps, notably with respect to cross-border capacities and shall include investments in interconnection and in other infrastructure necessary for effective trading and competition and for security of supply. A review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices shall be annexed to the investment plan.

ENTSOE must collect all relevant information regarding the implementation of the network codes and submit it to the Agency for evaluation.

Agency monitoring: the Agency shall monitor the implementation of the network codes, the 10-year investment plan and the annual work programme and include the results of that monitoring in its annual report. In case of non-compliance by the transmission system operators the Agency shall provide information to the Commission.

Development of guidelines: the Commission shall, after consultation with the Agency, establish an annual priority list identifying issues of primary importance for the development of the internal market in electricity. Having regard to that priority list, the Commission shall mandate the Agency to develop, within no more than six months, draft guidelines establishing basic, clear and objective principles for the harmonisation of rules, as set out in the Regulation.

In drafting those guidelines, the Agency shall formally consult ENTSOE and other stakeholders, in an open and transparent manner. The Agency shall adopt draft guidelines on the basis of that consultation. It shall specify the observations received during the consultation and explain how they were taken into account. It shall give reasons where observations have not been taken into account.

Development of network codes: Parliament added a new Article stating that within six months of the adoption of the guidelines by the Agency, the Commission shall mandate ENTSOE to develop draft network codes in full compliance with the principles established in the guidelines.

Technical cooperation between Community and third-country transmission system operators: a new Article states that this shall be monitored by the national regulatory authorities. If incompatibilities with the rules and network codes adopted by the Agency come to light in the course of such technical cooperation, the national regulatory authority shall seek clarification from the Agency.

Congestion management: transmission system operators shall submit their congestion management procedures including capacity allocation for approval to the regulatory authorities. The regulatory authorities may request amendments to those procedures before approving them.

Removal of administrative barriers to increase capacity: Member States shall review their procedures with the aim of identifying and removing any administrative barriers to increasing the amount of interconnection capacity. Member States shall identify the grid segments that need to be reinforced in order to increase the overall level of cross-border interconnection capacity in line with the objective of broad market integration.

Penalties: Member States shall ensure that national regulatory authorities have the competence effectively to ensure compliance with the Regulation by providing them, or other bodies, with the legal competence to issue compliance orders and to impose effective, dissuasive and proportionate penalties. The Member States shall inform the Commission thereof by 1 January 2010.