

# Agency for the Cooperation of Energy Regulators. Third energy package

2007/0197(COD) - 18/06/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 580 votes to 40 and 48 abstentions, a legislative resolution amending the proposal for a regulation of the European Parliament and of the Council establishing an Agency for the Cooperation of Energy Regulators. The report had been tabled for consideration in plenary by Giles **CHICHESTER** (EPP-ED, UK) on behalf of the Committee on Industry, Research and Energy.

The main amendments – adopted in 1<sup>st</sup> reading of the codecision procedure – are as follows:

**Tasks of the Agency:** Parliament gave the Agency for the Cooperation of Energy Regulators significant new decision-making powers and greater regulatory and financial independence. In particular, the Agency shall:

- issue opinions, recommendations and decisions addressed to transmission system operators, in relation to all technical matters pertaining to the good functioning of the internal energy market ;
- provide a framework within which national regulators can cooperate;
- supervise the execution of the tasks of the European networks of transmission system operators;
- establish economic and technical terms and conditions for the development of codes and rules drafted by the European networks of transmission system operators and approve the codes and rules in order to ensure the efficient and secure functioning of the internal energy market;
- set methodologies and tariffs for compensation mechanisms between transmission system operators, based on an assessment of their actual costs;
- coordinate the national regulatory authorities concerned in relation to their operations on regional electricity or gas markets;
- together with the Commission, promote interregional cooperation among energy markets and integrate regional energy markets into the internal energy market;

The Agency shall approve (rather than provide an opinion on) the 10-year investment plan of the European Networks of Transmission System Operators for Electricity and Gas, ensuring non-discrimination, effective competition and the efficient and secure functioning of the internal energy market .

By delegation of the Commission's powers and in compliance with the relevant provisions in Regulation (EC) No 1228/2003 and Regulation (EC) No 1775/2005, the Agency may take enforcement decisions and propose that the Commission impose fines in certain circumstances. It may also impose effective sanctions if barriers to cross-border trade are not removed.

**Structure of the Agency:** the Administrative Board shall be composed of six members. Two shall be appointed by the Commission, two by the Council and two by the European Parliament. No member of the Administrative Board shall also be a Member of the European Parliament. The term of office shall be five years, renewable once.

**Administrative Board:** Members of the Administrative Board shall undertake to act independently in the public interest. For that purpose, every year they shall make a written declaration of commitments and a written declaration of interests indicating either the absence of any interest which may be considered prejudicial to their independence or any direct or indirect interest which might be considered prejudicial to their independence. Those declarations shall be made public. No member of the Administrative Board shall also be a member of the Board of Regulators. The Administrative Board may be removed from office upon the proposal of the Commission and by a decision taken by the European Parliament by absolute majority vote.

**Board of Regulators:** the Board of Regulators shall adopt its Rules of procedure. The rules of procedure shall set out in greater detail the arrangements governing voting, especially the conditions whereby one member can act on behalf of another and also, where appropriate, the rules governing quorums. The rule of procedures may foresee specific working methods for the consideration of issues arising in the context of regional cooperation initiatives.

**Director:**the Director of the Agency should be subject to a vote of approval by the European Parliament.

The European Parliament may invite any member or members of the bodies in the structure to make a statement before its competent committee and answer questions put by members of that committee.