

Energy: internal market in electricity, cross-border exchanges, access to network. 'Electricity Regulation'

2001/0078(COD) - 13/03/2001 - Legislative proposal

PURPOSE: to present a Commission proposal for a Regulation of the European Parliament and of the Council, on conditions for access to the network for cross-border exchanges in electricity. **CONTENT:** the ultimate objective of the Electricity Directive is the creation of a real integrated single market, as opposed to a situation characterised by 15 more or less liberalised but largely national markets. This objective has not yet been achieved. It is true that cross-border trade - in terms of physical exchanges of electricity between countries - has been progressing over time and is currently equivalent to around 8% of total electricity production. However, this figure is still relatively modest when compared to other sectors of the economy. The Electricity Directive does not contain specific rules for cross-border transactions. However, this does not mean that this issue can be solved by relying exclusively on national measures. Against this background, the proposed Regulation includes the following provisions: - with regard to tarification, provision for compensation payments to be received by transmission system operators hosting transit flows of electricity on their network, financed through contributions of those transmission system operators (TSOs) causing these transit flows; - harmonisation of charges for access to national systems; - principles regarding the allocation of available interconnection capacity; - guidelines detailing further relevant principles and methodologies with regard to tarification and congestion management; - empowerment of the Commission with certain regulatory competencies. In conclusion, this draft Regulation is an important part of the Commission strategy to complete the internal electricity market. The financial implications of the Regulation for the Community budget would amount to around EUR 850 000 per year. In the year 2002, these financial needs would be made available under the Energy Framework Programme (ETAP programme). As regards subsequent years, a proposal for a new Energy Framework Programme, succeeding the current one which expires in 2002, will be made in 2001, in accordance with the work programme of the Commission for 2001. This new proposal will take into account the financial needs for the action in the coming years.