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

2001/0078(COD) - 07/06/2002 - Modified legislative proposal

The European Parliament agrees with the main elements of the Commission's proposal but has formulated a number of amendments. Out of the 34 amendments adopted, the Commission has accepted 6 in the form proposed by the Parliament or with some redrafting. Two amendments were accepted in part. The remaining 16 were rejected. A large number of the changes made to the initial text to reflect developments in the Council are clarification of or additions to the wording of provisions, without changing their substance. More substantial changes are, however, the following: - in the initial Commission proposal the inter transmission system operator compensation mechanism (Article 3) was based on the concept of "transit flows" of electricity, whereas in the amended proposal the concept is "cross-border flows". Work undertaken in the context of the European Electricity Regulator Forum has demonstrated that this concept is likely to produce results that are more cost-reflective. - article 3 (2) provided for compensation payments to be made by exporting and/or importing transmission system operators. This has been changed to exporting and importing transmission system operators. - in Article 3(6) the description of the method to calculate "costs of transits" (now: costs of cross-border flows, see above) has been further detailed. This changes reflects the outcome of the 8th European Electricity Regulatory Forum. - in Article 4(4) it is now stated clearly that export/import tariffs are excluded, provided that appropriate and efficient locational signals are in place. In the initial proposal the concept of locational signals formed already part of the provision, through a reference to paragraph 2 of Article 4. The substance of the two Articles dealing with Comitology Committees (Articles 12 and 13) has remained unchanged. However, the two Articles have merged into one Article 12. Among the amendments accepted in part or in principle by the Commission, these: - concern the recital stating that there should be no specific network access charges on exporters and importers and suggests some clearer wording; - concern the treatment of so-called "merchant interconnectors" in the Regulation; - setting up a Committee of European Energy Regulators, which would have an advisory status and would have respective advisory competencies; - this amendment suggests a monitoring and reporting requirement for the Commission and can be accepted in substance. Finally, the Commission rejects the amendments relating to: - the amendments seeking to take out all references to "national regulatory authorities" in the Regulation, suggesting to chose a more neutral terminology, such as "competent authority"; - the exemption of embedded generation, i.e. generation directly connected to the distribution network, from certain network charges under national tarification systems; - allowing operators of interconnectors to use rents resulting from the allocation of interconnector capacities to compensate market operators for capacity curtailments; - the amendment that suggests that the regulatory committee procedure foreseen in the Regulation would be applicable only forfour years and that after this period the issue would be reconsidered by Parliament and Council, on the basis of a Commission proposal; - the amendment suggests linking the entry into force of the Regulation to the entry into force of the directive amending the existing gas and electricity directives.