Internal market for electricity: safeguard security of supplies, infrastructure investment

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The committee adopted the report by its chairman, Giles CHICHESTER (EPP-ED , UK), amending the proposal under the 1st reading of the codecision procedure. Many of the amendments were aimed at streamlining and tightening up the text proposed by the Commission:

- **Article 1** was reworded to reflect the fact that the primary aim of the directive should be to safeguard security of electricity supply in order to ensure the proper functioning of the EU internal market for electricity. MEPs deleted the reference in this article to interconnection between Member States, saying that this was merely one aspect of security;

- the unduly prescriptive wording of certain provisions of **Article 3**, referring to elements of existing Community legislation, was replaced by a general requirement to take account of "current Community legislation in the field of energy policy". Moreover, as the directive required the Member States to define the roles and responsibilities of different parties in ensuring security of supply, MEPs felt that seven categories of market actors should be specifically mentioned (transmission system operators, distribution system operators, producers, suppliers, customers, regulatory authorities and Member States) rather than just two as originally proposed. They also wanted Member States to create a "stable investment climate and a robust and liquid wholesale market for electricity supplies";

- the committee introduced a new clause in **Article 4** requiring all interconnected system operators to exchange information on the operation of networks, including with interconnected system operators outside the EU;

- in**Article 6**, MEPs introduced a requirement for a regular long-term system adequacy report as an essential background to any considerations of investment in generation capacity. They also replaced selective references to various pieces of Community legislation by a more general requirement to "set a legal framework which creates a positive investment climate for network investments in order to meet foreseeable future demand";

- in**Article 7**, the committee inserted a reference to the principles of congestion management. It also sought to limit the powers of the regulatory authorities when it came to the construction of interconnections, and therefore deleted the provisions stipulating that these authorities should endorse or amend the transmission system operators' plans and have the power to impose financial penalties, issue instructions or arrange for an alternative contractor.