Energy: rules for the internal market in electricity. 'Electricity Directive'

2001/0077(COD) - 26/06/2003 - Final act

PURPOSE : to establish rules relating to the organisation and functioning of the electricity sector. COMMUNITY MEASURE : Directive 2003/54/EC of the European Parliament and of the Council concerning common rules for the internal market in electricity and repealing directive 96/92/EC. CONTENT : This Directive aims to arrive at a level playing field for all market actors on the electricity markets in the EC. Whilst Directive 96/92/EC has produced benefits for large consumers in terms of lower prices and better service standards, it has left open to Member States certain choices in terms of market opening, organisation of access to the network and regulation of the market. Experience has demonstrated that this situation leads to distortion of competition, as some Member States' markets are more open to competition that others. This Directive seeks to achieve full progressive opening of the electricity market, high standards of public service and a universal service obligation in electricity. It abolishes the choice of negotiated access to the electricity networks and obliges Member States legally to separate the transmission and distribution network operators from other parts of the business. In addition, all Member States must establish a regulatory authority with a minimum set of competencies. The directive provides for the liberalisation of Community electricity markets for non-household users by 1 July 2004, and a complete opening for all users by 1 July 2007. It establishes provisions on the unbundling of transmission and distribution operators, public service obligations, and regulatory tasks. The main points are as follows: - distribution and transmission systems must be operated through legally separate entities where vertically integrated undertakings exist; - Member States may appoint a supplier of last resort, which may be the sales division of a vertically integrated undertaking, so long as it meets the unbundling requirements of the Directive; - independent management structures must be put in place between distribution system operators and any generation/supply companies; - small companies may be exempt from the legal distribution unbundling requirements; - tariffs must be applicable to all system users on a non-discriminatory basis; - regulatory authorities must have the competence to fix or approve tariffs; - common minimum standards regarding public service requirements are specified in the Directive. These take into account the objectives of common protection, security of supply, environmental protection and equivalent levels of competition in all Member States; - the Commission must publish a report on an annual basis analysing measures taken at national level to achieve public service objectives and comparing their effectiveness; - Member States must take the necessary measures to protect vulnerable customers. These may include specific measures relating to the payment of electricity bills or more general measures taken in the context of the social security system. DATE OF TRANSPOSITION : 01/07/04. ENTRY INTO FORCE : 04/08/03.