Basic information

2016/0377(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Risk-preparedness in the electricity sector Repealing Directive 2005/89/EC 2003/0301(COD) **Subject** 3.60.03 Gas, electricity, natural gas, biogas 3.60.10 Security of energy supply	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	ZANONATO Flavio (S&D)	02/02/2017
	Shadow rapporteur NIEDERMAYER Luděk (PPE) FOX Ashley (ECR) MLINAR Angelika (ALDE) BENITO ZILUAGA Xabier (GUE/NGL) HARMS Rebecca (Verts /ALE) PAKSAS Rolandas (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed

	JURI Legal Affairs	LEBRETON Gilles (ENF)	13/02/2019

Council of the European Union	Council configuration	Meetings	Date
	Transport, Telecommunications and Energy	3581	2017-12-04
	Transport, Telecommunications and Energy	3554	2017-06-26
	Education, Youth, Culture and Sport	3693	2019-05-22

European Commission	Commission DG	Commissioner
	Energy	ŠEFČOVIČ Maroš

European Economic and Social Committee

European Committee of the Regions

Key events

Date	Event	Reference	Summary
30/11/2016	Legislative proposal published	COM(2016)0862	Summary
16/01/2017	Committee referral announced in Parliament, 1st reading		
26/06/2017	Debate in Council		
21/02/2018	Vote in committee, 1st reading		
21/02/2018	Committee decision to open interinstitutional negotiations with report adopted in committee		
26/02/2018	Committee report tabled for plenary, 1st reading	A8-0039/2018	Summary
28/02/2018	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
12/03/2018	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
23/01/2019	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE632.979 GEDA/A/(2019)000595	
25/03/2019	Debate in Parliament		
26/03/2019	Decision by Parliament, 1st reading	T8-0229/2019	Summary
26/03/2019	Results of vote in Parliament		
22/05/2019	Act adopted by Council after Parliament's 1st reading		
05/06/2019	Final act signed		
05/06/2019	End of procedure in Parliament		
14/06/2019	Final act published in Official Journal		

Technical information

Procedure reference	2016/0377(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Directive 2005/89/EC 2003/0301(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 194-p2
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/8/08692

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE606.138	14/06/2017	
Amendments tabled in committee		PE609.622	14/09/2017	
Amendments tabled in committee		PE610.658	14/09/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0039/2018	26/02/2018	Summary
Text agreed during interinstitutional negotiations		PE632.979	05/12/2018	
Specific opinion	JURI	PE636.055	07/03/2019	
Text adopted by Parliament, 1st reading/single reading		T8-0229/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2019)000595	05/12/2018	
Draft final act	00073/2018/LEX	05/06/2019	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2016)0862	30/11/2016	Summary
Document attached to the procedure	SWD(2016)0410	01/12/2016	
Document attached to the procedure	SWD(2016)0411	01/12/2016	

Document attached to the procedure	SWD(2016)0412	01/12/2016	
Document attached to the procedure	SWD(2016)0413	01/12/2016	
Commission response to text adopted in plenary	SP(2019)437	30/07/2019	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2016)0862	08/03/2017	
Contribution	ES_PARLIAMENT	COM(2016)0862	09/03/2017	
Contribution	AT_BUNDESRAT	COM(2016)0862	17/03/2017	
Contribution	DK_PARLIAMENT	COM(2016)0862	25/04/2017	
Contribution	CZ_SENATE	COM(2016)0862	04/05/2017	
Contribution	CZ_CHAMBER	COM(2016)0862	09/05/2017	
Contribution	SK_PARLIAMENT	COM(2016)0862	01/08/2017	
Contribution	IT_CHAMBER	COM(2016)0862	07/08/2017	
Contribution	FR_ASSEMBLY	COM(2016)0862	09/04/2018	

Additional information

Source	Document	Date
European Parliament	Briefing	
European Commission	EUR-Lex	

Final act

Regulation 2019/0941
OJ L 158 14.06.2019, p. 0001 Summary

Risk-preparedness in the electricity sector

2016/0377(COD) - 26/02/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Flavio ZANONATO (S&D, IT) on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

Objective: the proposed Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency, in full regard for the requirements of a competitive internal market for electricity and **in line with the Union's energy and climate objectives**.

An **'electricity crisis'** shall mean a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent, based on parameters defined in national and regional crisis scenarios.

Members considered that Member States should be required to identify **concrete electricity crisis scenarios at the regional and national level** and subsequently identify concrete measures to address such situations in their risk preparedness plans. That approach should ensure that all possible crisis situations are covered.

Risk assessments: the proposed Regulation requires Member States to ensure that all risks relating to the security of electricity supply are assessed. Members pointed out that security of electricity supply shall imply **effective cooperation amongst relevant stakeholders**, Member States and regional coordination centres, and the Commission with the Union's other institutions and bodies, all within their respective areas of activity and competence.

Before submitting the proposed **methodology**, ENTSO-E shall conduct a **consultation** exercise involving at least the regional coordination centres, industry and consumer organisations, generators, the transmission system operators, the distribution system operators, the competent authorities, the national regulatory authorities, other national authorities and other relevant stakeholders.

Guidelines for prevention and handling: the Agency for the Co-operation of Energy Regulators shall draft the Union-wide guidelines for the prevention and handling of crisis situations, identifying both market and non-market measures and system operational rules. In preparing the guidelines, the Agency should prioritize, as far as possible, the measures with the lowest impact on the environment.

These guidelines shall also include the principles governing compensation schemes and those for identifying **protected customers**.

Short-term adequacy assessments: whilst the risk preparedness proposal calls for European-wide and regional assessments of short-term risks, Members also pointed out that **Member States** also maintain the possibility to carry out their own assessments.

Preparation of risk preparedness plans: as long as the transmission system operators and the distribution system operators are ultimately responsible for the safety and reliability of the management of the network, the competent authorities shall explicitly involve them in the identification, preparation, management, monitoring and ex-post evaluation process.

Content of risk preparedness plans with regard to co-ordinated measures at regional level: the regional measures to be included in the plan shall be agreed upon by the competent authorities of the Member States in the region concerned, in consultation with the relevant coordination centres, before being incorporated into their national plans.

The draft Regulation proposes that, when the competent authorities concerned are not able to reach an agreement, the Commission may request the Agency to facilitate the conclusion of an agreement in consultation with ENTSO-E. Consistent to the Gas SoS regulation, Members suggested that in these cases the **Commission shall be entitled to propose a cooperation mechanism** for the conclusion of regional agreement.

Commission role in amending the risk preparedness plans: Members introduced a provision to ensure that agreed plans **do not undermine the internal market or security of supply**. The Commission shall be empowered to request amendments if necessary.

Confidentiality: as the threat of malicious attacks in the energy sector and elsewhere is a fact, indeed, this Regulation shall ensure that confidentiality of the sensitive information be ensured when identifying risks, and preparing, sharing and reviewing the draft plans via the Electricity Coordination Group.

Cooperation and assistance: where requested and technically feasible, Member States shall assist each other so as to prevent or mitigate an electricity crisis. Such assistance shall be subject to **compensation** covering at least the cost of electricity delivered into the territory of the Member State requesting assistance and all other relevant costs incurred when providing assistance.

Compliance with market rules: measures taken to prevent or mitigate electricity crisis situations must comply with the rules governing the internal electricity market and the operation of the system. Members considered that **non-market measures** shall be considered acceptable only as a last resort and where market rules may aggravate an electricity crisis.

Risk-preparedness in the electricity sector

2016/0377(COD) - 14/06/2019 - Final act

PURPOSE: to improve the security of electricity supply in crisis situations.

LEGISLATIVE ACT: Regulation (EU) 2019/941 of the European Parliament and of the Council on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC.

CONTENT: this Regulation lays down rules for cooperation between Member States with a view to preventing, preparing for and managing electricity crises in a spirit of solidarity and transparency and in full regard for the requirements of a competitive internal market for electricity. In a context of interlinked electricity markets and systems, electricity crisis prevention and management cannot be considered to be a purely national task.

The Risk Preparedness Regulation, the Regulation on the Electricity Market, the Directive on common rules for the internal market in electricity and the Regulation establishing a European Agency for the Cooperation of Energy Regulators (ACER) are part of the Commission's broader set of initiatives entitled Clean Energy for All Europeans'. This package includes the Commission's main proposals for implementing the Energy Union.

Identification of regional electricity crisis scenarios

The Regulation establishes a common approach to the identification of risk scenarios in order to ensure the consistency of risk assessments in a way that builds confidence between Member States in the event of an electricity crisis

The European Network of Transmission System Operators for Electricity (ENTSO-E), after consultation with relevant stakeholders, shall develop and update a common methodology for risk identification, in cooperation with the European Union Agency for the Cooperation of Energy Regulators (ACER) and the Coordination Group for Electricity in its formation composed solely of representatives of the Member States. The ENTSO for Electricity shall propose the methodology and ACER shall approve it.

On the basis of the common methodology for risk identification, the ENTSO for Electricity should regularly draw up and update regional electricity crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks.

Within four months of the identification of regional electricity crisis scenarios, the competent authority shall identify the most relevant national electricity crisis scenarios. Member States shall update national electricity crisis scenarios in principle every four years.

On the basis of regional and national electricity crisis scenarios, each Member State shall draw up a risk preparedness plan, including measures at national and regional level.

The Commission shall assess the risk preparedness plans with due regard to the views expressed by the Electricity Coordination Group.

Close coordination between Member States and all stakeholders and the availability of a model risk preparedness plan shall ensure that Member States' preparedness is as harmonised as possible. At the same time, sufficient flexibility shall be provided for Member States to take into account their specific circumstances.

Managing electricity crises

This Regulation requires the competent authority of that Member State shall, without undue delay, issue an early warning to the Commission, the competent authorities of the Member States within the same region and, where they are not in the same region, the competent authorities of the directly connected Member States. The competent authority concerned shall also provide information on the causes of the possible electricity crisis, on measures planned or taken to prevent an electricity crisis and on the possible need for assistance from other Member States.

Where a competent authority issues an early warning or declares an electricity crisis, the measures set out in the risk-preparedness plan shall be followed to the fullest extent possible.

Cooperation and assistance

The Regulation provides for the introduction of a clearly defined mechanism for assistance between Member States so that cross-border assistance can be provided quickly in the event of an electricity crisis.

Member States shall agree on provisions for fair compensation before assistance is provided. The Member State requesting assistance shall pay or ensure that this compensation is paid promptly to the Member State providing the assistance.

By 1 September 2025, the Commission shall, on the basis of the experience gained in the application of this Regulation, evaluate the possible means by which to enhance security of electricity supply at Union level and where necessary submit legislative proposals to amend this Regulation.

ENTRY INTO FORCE: 4.7.2019.

Risk-preparedness in the electricity sector

2016/0377(COD) - 26/03/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 558 votes to 75 with 31 abstentions a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC.

The proposed Regulation would establish rules for cooperation between Member States to prevent, manage and prepare for electricity crises in a spirit of solidarity and transparency and taking full account of the requirements of a competitive internal electricity market.

The position of the European Parliament adopted at first reading under the ordinary legislative procedure has amended the Commission proposal as follows:

Methodology for identifying regional electricity crisis scenarios

No later than six months after the date of entry into force of the regulation, the European Network of Transmission System Operators for Electricity (ENTSO-E) should submit to the European Union Agency for the Cooperation of Energy Regulators (ACER) a proposal for a methodology to identify the most relevant regional electricity crisis scenarios with regard to grid adequacy, system security and security of fuel supply.

Within two months of receipt of the proposed methodology, ACER should approve or amend it, after consultation with the Electricity Coordination Group in its formation composed solely of representatives of the Member States.

Within six months of the approval of the methodology, the ENTSO for Electricity would identify, on the basis of the methodology and in close cooperation with the Electricity Coordination Group, regional coordination centres, competent authorities and regulatory authorities, the most relevant electricity crisis scenarios for each region.

Within four months of the identification of the regional scenarios, the competent authority would identify the national electricity crisis scenarios.

Risk-preparedness plans

On the basis of these regional scenarios and national electricity crisis scenarios, each Member State should establish a risk-preparedness plan, including measures at national and regional level.

In order to ensure the consistency of risk-preparedness plans, the competent authorities should submit the draft plans for consultation to the competent authorities of the Member States concerned in the region before the adoption of their risk-preparedness plans and, where they are not located in the same region, to the competent authorities of the directly connected Member States, as well as to the electricity coordination group.

The risk preparedness plan would be developed in accordance with the model in the Annex to the Regulation.

Assessment by the Commission

Within four months of the notification by the competent authority of the adopted risk-preparedness plan, the Commission should carry out its assessment, taking due account of the views expressed by the Electricity Coordination Group.

The Commission, after consultation with the Electricity Coordination Group, would issue a non-binding opinion setting out the detailed reasons and submit it to the competent authority with a recommendation for a review of its risk-preparedness plan where, for example, the plan does not effectively mitigate the risks identified in the electricity crisis scenarios.

Within three months of receiving the Commission's opinion, the competent authority concerned should either notify the Commission of the amended risk preparedness plan or notify the Commission of the reasons why it opposes the recommendation.

Cooperation and assistance

The amended Regulation provides for the introduction of a clearly defined mechanism for assistance between Member States so that cross-border assistance can be provided quickly in the event of an electricity crisis.

Member States should agree on provisions for fair compensation before assistance is provided. The Member State requesting assistance should pay or ensure that this compensation is paid promptly to the Member State providing the assistance.

Risk-preparedness in the electricity sector

2016/0377(COD) - 30/11/2016 - Legislative proposal

PURPOSE: to establish appropriate tools to prevent, prepare for and manage electricity crisis situations.

LEGISLATIVE ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: even where markets and systems function well, the **risk of an electricity crisis** as a result of a variety of circumstances (e.g. extreme weather circumstances, malicious attacks including cyber-attacks, a fuel shortage) cannot be excluded. In addition, given that electricity systems are integrated, where crisis situations occur, they often have a cross-border effect. Some circumstances (e.g., a prolonged cold spell or heat wave) might affect several Member States at the same time and even incidents that start locally they may rapidly spread across borders.

Currently, **Member States behave very differently** when it comes to preventing, preparing for and managing crisis situations. National rules and practices tend to focus on the national context only, disregarding what happens across borders. The assessment of the national legal frameworks and current practices across Europe has shown that: (a) Member States assess different risks; (b) Member States take different sets of measures to prevent and manage crisis situations, and that such measures are triggered at different moments in time; (c) roles and responsibilities differ; and (d) there is not common understanding as to what constitutes a crisis situation.

This situation is the result of a regulatory gap. The current EU legal framework (Directive 2005/89/EC and Directive 2009/72/EC) only sets general objectives for security of supply, leaving Member States to decide how to achieve these. In particular, while the rules allow Member States to take

‘safeguard measures’ in crisis situations, they do not set out how Member States should prepare for and manage such situations. The **current legislation no longer reflects the reality of today's interconnected electricity market**, where the likelihood of crisis situations affecting several Member States at the same time is on the rise.

The proposed Regulation complements the provisions of the Third Energy Package, which is revised in parallel. (Please see 2016/0379(COD), 2016/0380(COD), and 2016/0378(COD)).

IMPACT ASSESSMENT: the impact assessment examined a number of options. The preferred option seeks to establish a greater comparability and transparency across Member States in the area of risk preparedness. In particular, **regionally coordinated plans ensure that risks are identified at regional level** and that consistent measures are adopted to prevent and manage crisis situations. The results of simulations show that well-integrated markets and regional coordination during periods of extreme weather conditions are crucial in addressing the hours of system stress (high demand) and minimising the probability of interruption of electricity supply.

CONTENT: the Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency and in full regard for the requirements of a competitive internal market for electricity.

The proposed Regulation contains the following elements:

Common rules on crisis prevention and tools to ensure cross-border cooperation: the main provisions are as follows:

- Member States should designate a **competent authority** to be in charge of carrying out the tasks set out in the Regulation, in particular drafting the risk preparedness plan;
- Member States must draw up **risk-preparedness plans**, after consulting stakeholders, in order to ensure maximum preparedness for electricity crisis situations and an effective management of such situations should they occur. The plans should be developed on the basis of **electricity crisis scenarios** identified by ENTSOE and Member States, respectively, and set out the measures planned or taken to prevent and mitigate the scenarios;
- before adopting a plan, the competent authority should **submit a draft** to the competent authorities in the region and to the Electricity Coordination Group for consultation. After consultation, the **final plan** should be sent to the Commission, made public and updated every three years, unless circumstances warrant more frequent updates;
- plans should consist of **two parts**, setting out national measures and coordinated measures agreed between the Member States in each region. They should take account of the specific characteristics of each Member State and set out clearly the roles and responsibilities of the competent authorities;
- all measures contained in the plans should be clearly set out, transparent, proportionate, non-discriminatory and verifiable. They should **not endanger the security of electricity supply of other Member States** or of the Union as a whole; and
- the plans should include measures to ensure that simultaneous crisis situations are properly prevented and managed. They must be agreed in a regional context and include specified elements set out in the text, including measures to mitigate the impact of a crisis.

Managing electricity crisis situations: the proposal requires Member States to inform neighbouring Member States and the Commission without delay in the event of an electricity crisis situation. They must also provide information on the causes of the crisis, measures taken and planned to mitigate it and the possible need for assistance from other Member States. In addition:

- Member States are required to inform the Commission and the Electricity Coordination Group if they have specific, serious and reliable information that an event may occur that is likely to result in a significant deterioration of electricity supply;
- Member States are to cooperate in a spirit of solidarity to prepare for and manage electricity crisis situations, with a view to ensuring that electricity is delivered where it is most needed, in return for compensation; and
- in the event of an electricity crisis, Member States must act in full compliance with internal electricity market rules. Non-market based measures can be used only as a last resort and must be necessary, proportionate, non-discriminatory and temporary.

Security of supply indicators and risk assessments: the proposal requires ENTSO-E to develop a methodology for identifying electricity crisis scenarios at regional level, considering at least the following risks:

- rare and extreme natural hazards;
- accidental hazards going beyond N-1 security criterion;
- consequential hazards such as fuel shortages; and
- malicious attacks;

For the preparation of the risk preparedness plan, ENTSO-E should: (i) use this methodology to identify the most relevant crisis scenarios; (ii) develop a methodology for assessing **short-term adequacy,** namely seasonal adequacy as well as week-ahead to intraday generation adequacy forecasts. Once ACER has approved this, Member States and ENTSOE should use it in their short-term assessments. The short-term adequacy assessment proposed complements the long-term resource adequacy assessment proposed in the revised Electricity Regulation, which ensures a coordinated European adequacy assessment to assess the need for capacity mechanisms.

Evaluation and monitoring: in order to ensure transparency following an electricity crisis, Member States affected should carry out an ex-post evaluation of the crisis and its impacts. The proposal involves systematic monitoring via the Electricity Coordination Group, of security of supply in the EU.

BUDGETARY IMPLICATIONS: the only budgetary impact associated to this proposal (part of the recast of the Third Package) concerns the resources of the Agency for the Cooperation of Energy Regulators (ACER). Essentially, the new tasks to be carried out by ACER require a phasing in of 18 additional full-time staff in the Agency in 2020, as well as corresponding financial resources amounting to EUR 1 038 000 in 2020.