Basic information

2023/0077B(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Union's electricity market design: Directive Amending Regulation 2019/942 2016/0378(COD) Amending Regulation 2019/943 2016/0379(COD) Amending Directive 2019/944 2016/0380(COD) Amending Directive 2018/2001 2016/0382(COD) See also 2023/0077A(COD) **Subject** 3.60 Energy policy 3.60.03 Gas, electricity, natural gas, biogas 3.60.05 Alternative and renewable energies 3.60.06 Trans-European energy networks 3.60.15 Cooperation and agreements for energy **Legislative priorities** Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	GONZÁLEZ CASARES Nicolás (S&D)	11/04/2023
	Shadow rapporteur CARVALHO Maria da Graça (EPP) PETERSEN Morten (Renew) BLOSS Michael (Greens/EFA) KRASNODĘBSKI Zdzisław (ECR) BORCHIA Paolo (ID) MESURE Marina (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	VAN OVERTVELDT Johan (ECR)	28/03/2023
ECON Economic and Monetary Affairs	SILVA PEREIRA Pedro (S&D)	20/04/2023

	IMCO Internal Market and Consumer Protection	Chair on behalf of committee CAVAZZINI Anna (Greens /EFA)	28/03/2023
Council of the European Union			
European Commission			

Commission DG	Commissioner
Energy	SIMSON Kadri

Key events

Date	Event	Reference	Summary
14/03/2023	Legislative proposal published	COM(2023)0148	
19/07/2023	Vote in committee, 1st reading		
15/01/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
29/02/2024	Committee referral announced in Parliament, 1st reading		
22/03/2024	Committee report tabled for plenary, 1st reading	A9-0151/2024	
11/04/2024	Decision by Parliament, 1st reading	T9-0285/2024	Summary
11/04/2024	Results of vote in Parliament		
11/04/2024	Debate in Parliament		
21/05/2024	Act adopted by Council after Parliament's 1st reading		
13/06/2024	Final act signed		
26/06/2024	Final act published in Official Journal		

Technical information

Procedure reference	2023/0077B(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Regulation 2019/942 2016/0378(COD) Amending Regulation 2019/943 2016/0379(COD) Amending Directive 2019/944 2016/0380(COD) Amending Directive 2018/2001 2016/0382(COD) See also 2023/0077A(COD)
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/9/14288

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A9-0151/2024	22/03/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0285/2024	11/04/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00002/2024/LEX	13/06/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2023)0148	14/03/2023	
Document attached to the procedure	SWD(2023)0058	14/03/2023	
Commission response to text adopted in plenary	SP(2024)377	29/07/2024	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1739/2023	14/06/2023	
CofR	Committee of the Regions: opinion	CDR2118/2023	05/07/2023	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
BLOSS Michael	Shadow rapporteur	ITRE	08/12/2023	BEUC

BLOSS Michael	Shadow rapporteur	ITRE	31/10/2023	NexWafe GmbH

Final act

Corrigendum to final act 32024L1711R(01)
OJ OJ L 17.11.2025

Directive 2024/1711
OJ OJ L 26.06.2024 Summary

Union’s electricity market design: Directive

2023/0077B(COD) - 26/06/2024 - Final act

PURPOSE: to improve the design of the integrated electricity market, in particular to prevent unduly high electricity prices.

LEGISLATIVE ACT: Directive (EU) 2024/1711 of the European Parliament and of the Council amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union’s electricity market design.

CONTENT: very high prices and volatility in electricity markets have been observed since September 2021. The escalation of the Russian military aggression against Ukraine, a Contracting Party of the Energy Community, and related international sanctions since February 2022 have disrupted global energy markets, exacerbated the problem of high gas prices, and have had significant knock-on impacts on electricity prices.

This directive is part of a package of measures aimed at **reforming the organisation of the electricity market**. The aim of this reform is to make electricity prices less dependent on the volatility of fossil fuel prices, to protect consumers against price spikes, to accelerate the deployment of renewable energies and to improve consumer protection.

Free choice of supplier

Member States will ensure that all customers are free to purchase electricity from suppliers of their choice. Member States will ensure that all customers are free to have more than one electricity supply contract or energy sharing agreement at the same time, and that, for that purpose, customers are entitled to have more than one metering and billing point covered by the single connection point for their premises. Where technically feasible, smart metering systems deployed may be used to allow customers to have more than one electricity supply contract or more than one energy sharing agreement at the same time.

Flexible connection agreements

The regulatory authority, or another competent authority where a Member State has so provided, should develop a framework for transmission system operators and distribution system operators to offer the possibility of establishing flexible connection agreements in areas where there is limited or no network capacity availability for new connections. Flexible connection agreements should be converted from flexible to firm connection agreements once the network is developed is ensured on the basis of established criteria.

Entitlement to a fixed-term, fixed-price electricity supply contract and to a dynamic electricity price contract

Consumers should have access to a wide range of offers so that they can choose a contract that corresponds to their needs. Dynamic price contracts remain essential and an increasing penetration of renewable energy sources can help consumers to reduce their energy bills. Member States should be able to exempt suppliers with more than 200 000 final customers who offer only dynamic price contracts from the obligation to offer fixed-term, fixed-price electricity supply contracts, provided that such an exemption does not have a negative impact on competition and retains sufficient choice of fixed-term, fixed-price electricity supply contracts.

Right to energy sharing

Member States should ensure that all households, small enterprises and medium-sized enterprises, public bodies and, where a Member State has so decided, other categories of final customer have the right to participate in energy sharing as active customers in a non-discriminatory manner, within the same bidding zone or a more limited geographical area, as determined by that Member State. Active customers will be entitled to share renewable energy between themselves based on private agreements or through a legal entity.

Supplier of last resort

Where Member States have not already put in place a regime with regard to suppliers of last resort, they should introduce such a regime to ensure continuity of supply at least for household customers. Suppliers of last resort shall be appointed in a fair, transparent and non-discriminatory procedure. Final customers who are transferred to suppliers of last resort will continue to benefit from all of their rights as customers as laid down in this Directive.

Protection from disconnections

Member States will ensure that **vulnerable customers and customers affected by energy poverty** are fully protected from electricity disconnections, by taking the appropriate measures, including the prohibition of disconnections or other equivalent actions.

Member States will take measures such as promoting voluntary codes of conduct for suppliers and customers on preventing and managing cases of customers in arrears. These agreements may cover support for customers in managing their energy consumption and costs, including reporting high energy peaks or unusual usage in winter and summer, with the provision of flexible and appropriate payment schedules, debt counselling, customer metering, and improved communication with customers and support organisations.

Access to affordable energy during an electricity price crisis

The Council may, acting on a proposal from the Commission, by means of an implementing decision declare a regional or Union-wide electricity price crisis, if the following conditions are met:

- the existence of very high average prices in wholesale electricity markets of at least two and a half times the average price during the previous five years, and at least 180 EUR/MWh which is expected to continue for at least six months, the calculation of the average price during the previous five years not taking into account those periods where a regional or Union-wide electricity price crisis was declared;

- sharp increases in electricity retail prices in the range of 70 % occur which are expected to continue for at least three months.

Where the Council has adopted an implementing decision, Member States may for the duration of the validity of that decision, when applying targeted public interventions in price setting for the supply of electricity to SMEs.

ENTRY INTO FORCE: 16.7.2024.

TRANSPOSITION: at the latest from 17.1.2025.

Union’s electricity market design: Directive

2023/0077B(COD) - 11/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 473 with 80, with 27 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union’s electricity market design.

The proposed directive aims to improve the design of the integrated electricity market, in particular to prevent unduly high electricity prices.

The position adopted by the European Parliament at first reading under the ordinary legislative procedure amends the proposal as follows:

Modernising the Union's electricity network

The amended text highlights that strengthening the internal energy market and achieving the climate and energy transition objectives requires a substantial upgrade of the Union’s electricity network to be able to host vast increases of renewable generation capacity, with weather-dependent variability in generation amounts and changing electricity flow patterns across the Union, and to be able to address new demand such as electric vehicles and heat pumps. Any reform of the Union’s electricity market should contribute to a **more integrated European electricity network**, with a view to ensuring that each Member State reaches a level of electricity interconnectivity in accordance with the **electricity interconnection target for 2030 of at least 15 %.** The reform of the electricity market design aims to achieve **affordable and competitive electricity prices** for all consumers.

Free choice of supplier

Member States should ensure that all customers are free to purchase electricity from suppliers of their choice. Where technically feasible, smart metering systems deployed may be used to allow customers to have more than one electricity supply contract or more than one energy sharing agreement at the same time.

Flexible connection agreements

The regulatory authority, or another competent authority where a Member State has so provided, should develop a framework for transmission system operators and distribution system operators to offer the possibility of establishing flexible connection agreements in areas where there is limited or no network capacity availability for new connections. Flexible connection agreements should be converted from flexible to firm connection agreements once the network is developed is ensured on the basis of established criteria.

Entitlement to a fixed-term, fixed-price electricity supply contract and to a dynamic electricity price contract

Member States should ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price electricity supply contracts and dynamic electricity price contracts. Member States should ensure that final customers who have a smart meter installed can request to conclude a dynamic electricity price contract and that all final customers can request to conclude a fixed-term, fixed-price electricity supply contract with a duration of at least one year, with at least one supplier and with every supplier that has more than 200 000 final customers.

Prior to the conclusion or extension of any contract, final customers should be provided with a **summary** of the key contractual terms and conditions in a prominent manner and in clear and concise language. That summary should set out (a) the total price and its breakdown; (b) an explanation as to whether the price is fixed, variable or dynamic; (c) the supplier’s email address and the details of a consumer support hotline; and (d) where relevant, information on one-time payments, promotions, additional services and discounts.

Right to energy sharing

Member States should ensure that all households, small enterprises and medium-sized enterprises, public bodies and, where a Member State has so decided, other categories of final customer have the right to participate in energy sharing as **active customers** in a non-discriminatory manner, within the same bidding zone or a more limited geographical area, as determined by that Member State.

Participation in energy sharing should not constitute the primary commercial or professional activity of active customers engaged in energy sharing. The energy sharing organiser or another third party may own or manage a storage or renewable energy generation facility of up to 6 MW, without being considered to be an active customer, except where it is one of the active customers participating in the energy sharing project.

Member States should ensure that energy sharing projects owned by public authorities make the shared electricity accessible to vulnerable or energy poor customers or citizens. When doing so, Member States should do their utmost to promote that the amount of that accessible energy is at least 10 % on average of the energy shared.

Supplier of last resort

Where Member States have not already put in place a regime with regard to suppliers of last resort, they should introduce such a regime to ensure continuity of supply at least for household customers.

Protection from disconnections

Member States should ensure that **vulnerable customers and customers affected by energy poverty are fully protected** from electricity disconnections, by taking the appropriate measures, including the prohibition of disconnections or other equivalent actions.

Member States should take appropriate measures to enable customers to avoid disconnection, which may include: (a) promoting voluntary codes for suppliers and customers on preventing and managing cases of customers in arrears; (b) promoting customers' education and awareness of their rights with regard to debt management; (c) access to finance, vouchers or subsidies to support the payment of bills; (d) encouraging and facilitating the provision of meter readings every three months.

Access to affordable energy during an electricity price crisis

The Council may, acting on a proposal from the Commission, by means of an implementing decision declare a **regional or Union-wide electricity price crisis**, if the following conditions are met:

- the existence of very high average prices in wholesale electricity markets of at least two and a half times the average price during the previous five years, and at least 180 EUR/MWh which is expected to continue for at least six months, the calculation of the average price during the previous five years not taking into account those periods where a regional or Union-wide electricity price crisis was declared;

- sharp increases in electricity retail prices in the range of 70 % occur which are expected to continue for at least three months.

Member States must transpose the directive within six months of its entry into force.