

Detailed Eurelectric amendments for the Electricity Market Design trilogues

Eurelectric amendments

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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Markets & Investments Committee
Customers & Retail Services Committee
Distribution & Market Facilitation Committee

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Ahead of the upcoming trialogues of the Electricity Market Design revision, you will find below the Eurelectric preferences and comments among the texts proposed by the three institutions. To guide your reading, please refer to the key.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Supplier products obligations

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 1

Article 11 (Directive) & Article 12(3) (Directive 2019/944)

Original text

1. Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price contracts and dynamic electricity price contracts. Member States shall 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 price contract of a duration of at least one year, with at least one supplier and with every supplier that has more than 200 000 final customers.

Art 12(3) Directive 2019/944

Original text +amendments

1. Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price contracts and dynamic electricity price contracts. Member States shall 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 price contract of a duration of at least one year, with at least one supplier and with every supplier that has more than 200 000 final customers.

By way of derogation from the first subparagraph, Member States may exempt a supplier with more than 200 000 final customers from the obligation to offer fixed term fixed price contracts if that supplier only offers dynamic price contracts and the exemption does not have a negative impact on competition or sufficient choice of fixed term fixed price contract for customers.

Art 12(3) Directive 2019/944

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

3. By way of derogation from paragraph 2, Member States may permit suppliers or market participants engaged in aggregation to charge customers contract termination fees where those customers voluntarily terminate fixed-term, fixed-price electricity supply contracts before their maturity, provided that such fees are part of a contract that the customer has voluntarily entered into and that such fees are clearly communicated to the customer before the contract is entered into. Such fees shall be proportionate and shall not exceed the direct economic loss to the supplier or the market participant engaged in aggregation resulting from the customer's termination of the contract, including the costs of any bundled investments or services that have already been provided to the customer as part of the contract. The burden of proving the direct economic loss shall be on the supplier or market participant engaged in aggregation, and the permissibility of contract termination fees shall be monitored by the regulatory authority, or by an other competent national authority

3. By way of derogation from paragraph 2, Member States ~~may permit~~ shall grant suppliers or market participants engaged in aggregation the right to charge customers contract termination fees where those customers voluntarily terminate fixed-term, fixed-price electricity supply contracts before their maturity, provided that such fees are part of a contract that the customer has voluntarily entered into and that such fees are clearly communicated to the customer before the contract is entered into. Such fees shall be proportionate and shall not exceed the direct economic loss to the supplier or the market participant engaged in aggregation resulting from the customer's termination of the contract, including the costs of any bundled investments or services that have already been provided to the customer as part of the contract. The burden of proving the direct economic loss shall be on the supplier or market participant engaged in aggregation, and the permissibility of contract termination fees shall be monitored by the regulatory authority, or by an other competent national authority

Justification

Eurelectric does not recommend making fixed-price products as a tool against high prices. Fixed-price products offer customers a long-term view of their energy costs. However, given the associated hedging costs, they do not guarantee the lowest price for customers and, if badly designed, may not always incentivize customers' demand flexibility. Eurelectric therefore welcomes the Council's proposal giving the possibility for the Member States to derogate from fixed product obligation. We agree that consumers benefit when there are a variety of offers in the market, but we do not find it efficient to regulate specific products in legislation. If there is demand for a particular product, the market will respond to that demand organically. Additionally, retail fixed-term, fixed-price electricity supply contracts require a dual-sided commitment between customers and suppliers. Without the right to charge proportionate early termination fees, suppliers can be put in a position where they over-procure electricity, due to the hedging required to support fixed contracts, and put the system out of balance. Therefore, we propose a revision of Article 12 (3) in Directive 2019.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for fixed term, fixed price electricity contract definition

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 2

Article 2.1.b (15a) (Directive)

Original text

(15a) 'fixed term, fixed price electricity supply contract' means an electricity supply contract between a supplier and a final customer that guarantees the same contractual conditions, including the price, while it may, within a fixed price, include a flexible element with for example peak and off peak price variations;

Original text +amendments

(15a) 'fixed term, fixed price electricity supply contract' means an electricity supply contract between a supplier and a final customer that guarantees the same contractual conditions during the whole duration of the contract, including the price, while it may, within a fixed price, and for customers equipped with smart meters include a flexible element with for example peak and off peak price variations, and where changes in the final bill can only result from elements that are not determined by suppliers, such as taxes and levies;

Justification

Although generally clearly stated in the contractual conditions, we think it should also be explicitly mentioned in law that obligation to deliver a fixed term fixed price electricity supply contract can only apply to the energy component of the bill. We therefore welcome the clarification brought by the European Parliament stating that suppliers can pass costs of elements not determined by them on to the customers, such as network charges, taxes and levies.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Energy Sharing

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 3

Article 15a(Directive)

Original text

1.All households, small and medium sized enterprises and public bodies have the right to participate in energy sharing as active customers.

(a)Active customers shall be entitled to share renewable energy between themselves based on private agreements or through a legal entity.

(b)Active customers may use a third party that owns or manages for installation, operation, including metering and maintenance a storage or renewable energy generation facility for the purpose of facilitating energy

Original text +amendments

1. All households, small and medium sized enterprises and public bodies **shall** have the right to participate in energy sharing as active customers, within the same bidding zone or a more limited geographical area as determined by Member States. The right to participate in energy sharing shall not apply to private undertakings whose participation in energy sharing constitutes part of their primary commercial or professional activity.

1a. Active customers shall be entitled to share renewable energy between themselves based on private agreements or through a legal entity.

1b. Active customers who participate in energy sharing may appoint an energy sharing organiser for communication with grid operators, including through a legal entity. The energy sharing organiser shall be responsible for providing grid operators with all necessary information about energy sharing arrangements, for settling the grid tariffs and applicable taxes and for notifying suppliers at the same connection point about the energy sharing arrangement. The energy sharing organiser shall aim at self-balancing the behind the meter flexible loads, distributed renewable generation and storage assets part of an energy sharing arrangement.

1c. Active customers may use third parties that own or manage storage facilities or renewable energy generation facilities of up to 6 MW capacity each for installation, operation, including metering and maintenance, for the purpose of facilitating energy sharing. The third party shall not be

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

sharing, without that third party being considered an active customer.

(c) Member States shall ensure that active customers participating in energy sharing:

(d) are entitled to have the shared electricity netted with their total metered consumption within a time interval no longer than the imbalance settlement period and without prejudice to applicable taxes, levies and network charges;

(e) benefit from all consumer rights and obligations as final customers under this Directive, except in case of energy sharing between households with an installed capacity up to 10.8 kW and up to 50 kW for multi-apartment blocks using peer-to-peer trading agreements;

(f) have access to template contracts with fair and transparent terms and conditions for peer-to-peer trading agreements between households, and for agreements on leasing, renting or investing in storage and renewable energy generation facilities for the purpose of energy sharing; in case of conflicts arising over such agreements, final customers shall have access to out of court dispute settlement in accordance with Article 26;

considered to be an active customer. Third parties shall be transparent about prices, tariffs, and terms of services, and they shall ensure the provision of non-discriminatory services.

1d. Member States shall ensure that active customers participating in energy sharing:

(a) are entitled to have the shared electricity injected into the grid deducted from their total metered consumption within a time interval no longer than the imbalance settlement period and without prejudice to applicable non-discriminatory taxes, levies and cost-reflective network charges;

(b) benefit from all consumer rights and obligations as final customers under this Directive;

(c) are not required to comply with supplier obligations where energy is shared between households with an installed capacity up to 10.8 kW and up to 100 kW for multi-apartment blocks using peer-to-peer trading agreements for energy sharing purposes;

(d) customers engaged in energy sharing agreements providing for a remuneration are billed on the basis of their actual consumption and benefit via a third party from rights on billing and billing information provided for in Article 18(1) to (5), and basic contractual rights provided for in Article 10 that are granted to final electricity customers;

(e) have access to voluntary template contracts with fair and transparent terms and conditions for energy sharing agreements; in case of conflicts arising over such agreements, final customers engaging in energy sharing or members of energy communities are to have access to out of court dispute settlement as regards disputes with other participants of energy sharing agreements or within energy communities in accordance with Article 26;

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

(g) are not subject to unfair and discriminatory treatment by market participants or their balance responsible parties;

(h) are informed of the possibility for changes in bidding zones in accordance with Article 14 of Regulation (EU) 2019/943 and of the fact that the right to share energy is restricted to within one and the same bidding zone.

(i) Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:

(j) monitor, collect, validate and communicate metering data related to the shared electricity with relevant final customers and market participants at least every month, and in accordance with Article 23;

(k) provide a relevant contact point to register energy sharing arrangements, receive information on relevant metering points, changes in location and participation, and, where applicable, validate calculation methods in a clear, transparent and timely manner.

2. Member States shall take appropriate and non-discriminatory measures to ensure that energy poor and vulnerable households can access energy sharing schemes. Those measures may include financial support measures or production allocation quota.

(f) are not subject to unfair and discriminatory treatment and charges by market participants or their balance responsible parties;

(g) are informed of the possibility for changes in bidding zones in accordance with Article 14 of Regulation (EU) 2019/943 and of the fact that the right to share energy is restricted in accordance with paragraph 1;

(h) are allowed to offer different services and participate in a non-discriminatory manner in any market, individually or aggregated through the support of market parties, with the decentralised energy resources involved in energy sharing.

1e. Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:

(a) monitor, collect, validate and communicate metering data related to the shared electricity with relevant final customers and market participants at least every month in accordance with Article 23 and for that purpose, Member States are to ensure that relevant operators implement the appropriate IT infrastructure within ... ~~one year after the transposition date of this Directive;~~

(b) establish one-stop shops to facilitate and register energy sharing arrangements, to distribute practical information to the public on requirements, available grid connection capacity, timelines for response and other relevant deadlines, to inform about available financial support and expertise, available template contracts, to receive information on relevant metering points, changes in location and participation, and, where applicable, to validate calculation methods in a clear, transparent and timely manner.

2. Member States shall take appropriate and non-discriminatory measures to ensure that energy poor and vulnerable households can access energy sharing schemes. Those

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

measures may include financial support measures or production allocation quota.

2a. Member States shall ensure that the energy sharing projects owned by public authorities require that at least 20 % of the amount of shared electricity is made accessible to vulnerable customers.

2b. The Commission shall provide additional guidance to the Member States without increasing administrative burden in order to facilitate a standardised approach with regard to renewable energy sharing and ensure a level playing field for renewable energy communities and citizen energy communities. The Commission shall, by means of implementing acts, establish the rules for the required data exchange between grid operators and with retailers for energy sharing, by specifying existing standards. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 68(2).

2c. Member States shall promote the introduction of plug-in mini-solar systems of up to 800 W capacity in and on buildings, for example on balconies, and remove technical and administrative barriers for customers. Active customers sharing electricity from a plug-in mini-solar installation of up to 800 W capacity shall be entitled to have the shared electricity injected into the grid deducted from their total metered consumption within a time interval no longer than the imbalance settlement period and without prejudice to applicable non-discriminatory taxes, levies and cost-reflective network charges. ~~Member States may consider exempting the resulting shared electricity from those taxes, levies and cost-reflective network charges.~~

Justification

Eurelectric welcomes the EP proposal since it establishes:

- geographic limitations up to bidding zone level, ensuring energy sharing does not become a professionalized commercial venture (preserving its social nature);*
- the introduction of an energy sharing organiser to facilitate communication between customers, suppliers and System Operators;*

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

- *the clarification of responsibilities for peer-to-peer sharing;*
- *the possibility for energy sharers to offer their excess generation in the market.*

Having said so, Eurelectric remains extremely cautious regarding energy sharing since it could:

- *represent an unnecessary burden for DSOs such as:*
 - *the implementation of “appropriate IT infrastructure” within one year after the Directive’s transposition;*
 - *the facilitation of energy sharing arrangements, distribution of “practical information to the public on requirements, available grid connection capacity, timelines for response and other relevant deadlines”, as well as about “available financial support and expertise, available template contracts”.*
- *become a disguised form of alternative professionalised commercial supply;*
- *change customer load profile and affect consumption projections suppliers use to procure or hedge the correct amount of electricity to keep the system in balance, particularly if the remaining supply contract is a fixed price product.*

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Hedging obligations

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 4

Article 18a (Directive)

Original text

1. National Regulatory Authorities shall ensure that suppliers have in place and implement appropriate hedging strategies to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets.

2. Supplier hedging strategies may include the use of power purchase agreements. Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their

Original text +amendments

1. By ... [six months after the date of entry into force of this amending Regulation], and regularly thereafter, regulatory authorities shall perform regular stress tests to verify the ability of suppliers to face major changes in the market dynamics and their technical and economic capacity to ensure resilience. In addition, in the light of the results of those stress tests, regulatory authorities shall, where appropriate, ensure that suppliers have in place and implement appropriate hedging strategies, taking into account the size of the supplier or its market structure, to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets. ~~Member States shall take effective, competitive, non-discriminatory measures to ensure liquidity in hedging markets, including specific measures to avoid the lack of level playing field. Regulatory authorities shall assess the impacts of the possibility of introducing specific hedging targets for specific shares of suppliers' portfolios, including as regards volatility of consumer prices.~~

2. Supplier hedging strategies may include the use of power purchase agreements or other appropriate instruments, such as forward contracts. ~~Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their risk exposure~~

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

risk exposure on the consumer side, subject to compliance with Union competition law.

3. Member States shall endeavour to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities.”

~~on the consumer side, subject to compliance with Union competition law.~~

3. Member States shall put in place enabling conditions to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities.

3a. Electricity suppliers shall take all reasonable steps to limit their risk of supply failure.’;

Justification

Eurelectric recommends the use of stress tests as a more efficient method for testing the financial resilience of retailers in the market. Obligatory hedging requirements risk locking in high prices for consumers and significantly reducing forward market liquidity.

Furthermore, when developing hedging strategies, it is important that suppliers have a variety of instruments to choose from to keep their prices as competitive as possible. Normalising even a part of these strategies by tying them to a single instrument will lead to a de facto loss of choice for consumers.

We, therefore, welcome the European Parliament’s proposals in that regard introducing stress tests and expanding hedging tools for suppliers beyond PPAs. Consequently, this provision “Where sufficiently developed markets for power purchase agreements exist [...] subject to compliance with Union competition law” is redundant and contradictory and should be removed.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Free Choice of Supplier

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 5

Article 4 (Directive)

Original text

(2) Article 4 is replaced by the following:

“Article 4 Free choice of supplier

Member States shall ensure that all customers are free to purchase electricity from the supplier of their choice. Member States shall ensure that all customers are free to have more than one electricity supply contract at the same time, and that for this purpose customers are entitled to have more than one metering and billing point covered by the single connection point for their premises.”

Original text +amendments

(2) Article 4 is replaced by the following:

‘Article 4 Free choice of supplier

Member States shall ensure that all customers are free to purchase electricity from suppliers of their choice. Member States shall ensure that all customers are free to have more than one electricity supply contract or an 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 unless the existing smart-metering allows those rights.

Member States shall ensure that metering arrangements guarantee that all suppliers operating at a single connection point are treated in a non-discriminatory manner. Metering arrangements shall be approved by grid operator and shall allow the physical connection point to be split into several energy connection points equally reliable, independent from each other, and with same features and functionalities as single connection points, including balancing responsibility.’;

Justification

Eurelectric supports the EP’s clarification that maintains the reliability of metering and ensures equal treatment of suppliers. We also appreciate the specification that, for technical clarity, multiple metering points are allowed unless existing smart meters may differentiate the relevant loads.

- *Reliability of metering is of key importance for the proper functioning of the electricity system (good consumption allocation between actors; to allow the correct invoicing and implementation of obligations (like levies, network tariff, balancing responsibility, capacity mechanism, flexibility measurements, etc.)). Submeters shall therefore respect the DSO requirements or be installed and managed by the DSO itself regardless of the supplier.*
- *It is key to ensure that meters are independent from each other to avoid that:*

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

- *the customer could choose to switch consumption loads from one supplier to the other depending on the different prices on contracts (arbitrage). This represents a very high risk for the suppliers that tend to translate into higher prices for consumers (and potential defaults of some suppliers);*
- *the supplier would lose his capacity to manage his balance responsibility, which would also translate into higher sourcing costs and consequently higher prices.*

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Dedicated metering Devices

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 6

Article 7b (Regulation)

Original text

1. "Member States shall allow transmission system operators and distribution system operators to use data from dedicated metering devices for the observability and settlement of demand response and flexibility services, including from storage systems.

2. Member States shall establish requirements for a dedicated metering device data

Original text + amendments

~~1. "Member States shall allow tT~~ Upon the consent of the final customer, transmission system operators ~~may~~ may use data from dedicated ~~measurement~~ metering devices for the observability and settlement of demand response and flexibility services, including from storage systems, in accordance with the applicable Union data protection and privacy law, in particular Regulation (EU) 2016/679.

~~2.~~ 2a. Where a final customer does not have a smart meter installed or where the smart meter of a final customer does not deliver the necessary data to provide demand response or flexibility services, including through an independent aggregator, transmission system operators and distribution system operators shall accept the data from a dedicated measurement device, where available, for the settlement of demand response and flexibility services, including storage systems, and shall not discriminate against that final customer in their procurement of flexibility services. This obligation shall apply upon the establishment and subject to compliance with the rules and requirements established by the Member States pursuant to paragraph 3., market participants, including independent aggregators, may use data from their own dedicated measurement devices for the billing and settlement of demand response and flexibility services, upon the establishment of and subject to compliance with requirements established by Member States in line with paragraph 2.

~~23.~~ 23. Member States shall establish harmonised requirements for a dedicated

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

validation process to check and ensure the quality of the respective data.';

~~measurement~~metering device data validation process to check and ensure the quality, **consistency and interoperability** of the respective data in accordance with Article 23 of Directive (EU) 2019/944 and the procedures set out in the network code adopted pursuant to Article 59(1), point (e), of this Regulation and taking into account the relevant Union law on measurement instruments.';

3a. Where flexibility interventions are planned through the usage of such dedicated measurement devices, system operators shall be informed to ensure the electricity system stability.

Justification

Eurelectric appreciates the call for harmonised requirements in the Parliament's proposal, in accordance with the existing legislations such as GDPR and MID, as well as the upcoming network code for demand response. This will help further drive a European market. The explicit reference to notification of SOs of use of these devices is essential. The proposed terminology changes from "metering device" to "measurement device" is to be in line with the upcoming network code for demand response and because these devices are meant to show the activation of flexibility services of a particular device, but they do not consider other impacts on the network. In the Council proposal, we appreciate the reference first to smart meters and the use of Dedicated Measurement Devices date if and only if the existing meters cannot provide the necessary telemetric capabilities.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Customers protection provisions

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 7

Article 66a (Directive)

Original text

1.The Commission may by decision declare a regional or Union-wide electricity price crisis, if the following conditions are met:

(a)very high prices in wholesale electricity markets at least two and a half times the average price during the previous 5 years which is expected to continue for at least 6 months;

(b)sharp increases in electricity retail prices of at least 70% occur which are expected to continue for at least 6 months; and

(c)the wider economy is being negatively affected by the increases in electricity prices.

2.The Commission shall specify in its decision declaring a regional or Union-wide electricity price crisis the period of validity of that decision which may be for a period of up to one year.

Original text +amendments

1.The Council Commission, on a proposal from the Commission, by means of an implementing ~~may by~~ decision, ~~may~~ declare a regional or Union-wide electricity price crisis, if the following conditions are met simultaneously and expected to continue for at least 6 months:

(a)very high prices in wholesale electricity markets at least two and a half times the average price during the previous 5 years, and at least 180 €/MWh, which is expected to continue for at least 6 months;

(b)sharp increases in electricity retail prices of at least in the range of 70% occur which are expected to continue for at least 6 months; and

(c)the wider economy is being negatively affected by the increases in electricity prices.

2. The decision ~~Commission shall specify in its decision~~ declaring a regional or Union-wide electricity price crisis ~~shall specify~~ the period of validity of that decision which may be for a period of up to one year. That period may be prolonged in accordance with the procedure set out in paragraph 7 for consecutive periods of up to one year maximum following the expiration date of the triggering decision.

7. In due time before the expiry of the period specified pursuant to paragraph 2, the Commission shall assess whether the conditions in paragraph 1 continue to be fulfilled. If the Commission considers that the

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

conditions in paragraph 1 continue to be fulfilled, it shall present to the Council a proposal for prolonging the period of validity of a decision adopted pursuant to paragraph 1. Where the Council decides to prolong the period of validity, paragraphs 5 and 6 shall apply during such prolonged period.

Justification

To preserve market participant's and investors' confidence, it is crucial to ensure quantitatively focused and well-defined emergency crisis-triggering criteria to avoid creating a de facto permanent crisis. We therefore welcome the three initial cumulative proposed criteria by the European Commission (e.g. wholesale price level, retail price level and overall economic impact). Those criteria should not be weakened.

Consequently, we welcome co-legislators' proposals aiming at strengthening them. In particular:

- We welcome the Council's proposal to include this institution in the triggering decision of the emergency crisis;*
- Since criteria should be clearly cumulative, we recommend making an explicit reference in the text;*
- We welcome the inclusion of the EP 180 €/MWh threshold to avoid normal market volatility being mistaken as an energy price crisis;*
- We urge keeping the condition on the negative impact on the wider economy. With the implementation of enhanced long-term contracts and hedging opportunities, a high wholesale price level will not translate automatically into high retail price levels and negative impacts on the economy. It is therefore crucial to keep this criterion to avoid normal market volatility being confused with an energy price crisis;*
- We welcome the Council's proposal on better defining the conditions and duration of the potential extension of the electricity price crisis. It is important to clarify that any prolongation is subject to meeting the triggering criteria and should last a maximum of up to one year following the expiration date of the triggering decision.*

Last but not least, we caution against the introduction of regulated prices, even in periods of emergency. One of the key achievements of the internal energy market is the fact that the vast majority of Member States have moved away from regulated prices and these markets have been able to deliver competitive prices for final consumers. Regulated prices can lead to the locking in of high prices and disincentivise market participants from competing with each other to deliver the best price for final consumers.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Emergency measures

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 8

Article 66a (Directive)

Original text

Original text +amendments

~~8. Without prejudice to Articles 107 and 108 TFEU, Member States may apply a cap on revenues from inframarginal generators subject to the same conditions as those set out in Articles 6 to 8 and Article 10 of Council Regulation (EU) 2022/1854. Such revenue cap may be applied until 30 June 2024. By 15 May 2024, the Commission shall carry out a review of the application of the relevant schemes under this paragraph and issue a report on the main findings of this review to Parliament and the Council.~~

[This addition by Council should be removed]

Justification

Eurelectric strongly advocates against the extension or institutionalisation of pre-determined emergency measures, such as the cap on revenues from inframarginal generators. Emergency measures shall always be targeted, temporary and time-limited to address the causes of a given crisis. During its implementation at EU level under the Council Regulation 2022/1854, this emergency measure quickly revealed its flaws. Indeed, even if it was a European measure, the cap was implemented very heterogeneously across the Member States both in terms of the level of the cap and the technologies affected. The negative effects of this patchwork approach resulted in investors' uncertainty, market exit for market participants, slow down of the green investments (reduction in the PPAs signed and wind power investments), and inefficient dispatch of renewables. This was also recognised by the Commission itself in its report (COM(2023) 302). Ultimately, threatening the long-term security of supply, and the delivery of national and European decarbonisation targets. Therefore, this addition by Council should be removed.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Commission reviews and reports

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 9

Article 69 (Regulation)

Original text

Original text +**amendments**

~~(a) paragraph 2 is replaced by the following:~~

~~'2. By 30 June 2026, the Commission shall review this Regulation and Directive EU 2019/944, and shall submit a comprehensive report to the European Parliament and to the Council on the basis of that review, accompanied by a legislative proposal where appropriate. That report shall assess:~~

~~(a) the effectiveness of the current structure and functioning of the short-term market;~~

~~(b) the development of electricity generation capacity and quality of service delivered to final costumers in each Member State;~~

~~(c) the suitability of the current Union legal and financing framework on distribution grids to deliver on the Union's renewable and internal energy market objectives;~~

~~The report shall also assess any inefficiencies in the internal electricity market. Where appropriate, the Commission shall submit legislative proposals on European trading platforms for primary and secondary long-term markets, including measures to create liquidity and transparency, such as requirements for producers and costumers to contract minimum amount of products in public, centralised auctions to provide liquidity.'~~

~~(b) the following paragraphs are added:~~

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

~~'3. By 30 June 2024, the Commission shall submit a report to the European Parliament and to the Council assessing different options for the introduction of a temporary relief valve mechanism in view of the experience with those mechanisms at international level and of the evolution and new developments in the Union electricity market. That report shall, where appropriate, be accompanied by a legislative proposal.~~

[This addition by EP should be removed]

Justification

Eurelectric cautions about the possible introduction of a temporary relief valve mechanism in 2024 for many reasons. First we would note that there is quite some difference between the existing relief valve mechanisms in the American and Australian markets (see pg. 49 of ACER's final assessment of the [EU wholesale electricity market design](#)) and it is important to understand what kind of mechanism will be implemented in the European market and how it would interact with the existing and future market design. If the mechanism introduced is similar to the cap on market revenues, we already have analysis which shows the harm of such a tool on investor confidence (from 2021 to 2022: -53% of activity in the Iberian forward markets, -75% utility PPA capacity signed, -59% wind final investment decisions [FIDs¹]) that jeopardizes the investment needed to reach the EU's decarbonisation goals. Furthermore, the possibility of having a temporary relief valve mechanism whose content is still not well-developed or well-defined will also dramatically decrease the investors' certainty.

For very similar reasons, we also caution against the EP provision of having a revision of the electricity market regulatory framework already in 2026, barely one year after its entry into force. This deadline is clearly too early to see the long-term results of the reform, just to cite one the reduced excessive short-term price volatility due to the scaled-up long-term contracting. Therefore, we strongly caution against including the proposed review clause by the European Parliament. Therefore, these additions by EP should be removed.

¹ Eurelectric Power Barometer, 2023: <https://powerbarometer.eurelectric.org/>

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Flexibility support scheme

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 10

Article 19e (Regulation)

Original text

Original text +amendments

1. Member States which apply a capacity mechanism in accordance with Article 21 shall consider the promotion of the participation of non-fossil flexibility such as demand side response and storage by introducing additional criteria or features in the design of the capacity mechanism.

2. Where the measures introduced in accordance with paragraph 1 to promote the participation of non-fossil flexibility such as demand response and storage in capacity mechanisms are insufficient to achieve the flexibility needs identified in accordance with 19d, Member States may apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand side response and storage.

1. Where investments in non-fossil flexibility are insufficient to achieve the indicative national objective, or, where relevant, provisional indicative objectives, identified in accordance with Article 19d, Member States may, apply non-fossil flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility without prejudice to Articles 12 and 13. Flexibility support scheme shall be open to all flexibility sources capable of providing the required technical performance in accordance with Article 22 of the Regulation (EU) 2019/943 on a level playing field with other sources and their expected contribution to addressing the adequacy concern.

~~2. A Member States which applies a capacity mechanism in accordance with Article 21 shall consider the promotion of the participation of non fossil flexibility resources, such as demand side response and storage by introducing additional criteria or features in the design of the capacity mechanism.~~

~~3.2. Where the measures introduced in accordance with paragraph 1 to promote the participation of non fossil flexibility such as demand response and storage in capacity mechanisms are insufficient to achieve the flexibility needs identified in accordance with 19d, Member States may apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand side response and storage.~~

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

3. Member States which do not apply a capacity mechanism may apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand side response and storage.

~~43. Member States which do not apply a capacity mechanism may apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand side response and storage.~~

2. The possibility for Member States to apply measures pursuant to paragraph 1 shall not preclude them from addressing their indicative targets identified in Article 19d by other means.

Justification

Eurelectric welcomes the Council's proposals around the removal of the prescriptive references to capacity mechanisms, recognising that flexibility support schemes may be introduced independently of the presence of a capacity mechanism.

We also recommend the simplification of this article, and the possibility to apply alternative measures to reach indicative flexibility targets. However, in instances where capacity markets are in place, it is advisable to better integrate flexible capacity within the capacity mechanism to prevent potential conflicts between instruments. Capacity mechanisms must be technology-neutral and be open to generation, demand response and storage.

Furthermore, the methodology used to assess long-term scenarios and system needs shall appropriately take into account the contribution of all flexible resources - including existing and future possibilities for generation, energy storage, sectoral integration, demand response, and import and export. This holistic approach contributes to effective governance, preventing unnecessary duplication of work.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals on Sharing of Order book

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 11

Article 7.2 (Regulation)

Original text

Original text +amendments

(ii) the following point (ca) is inserted:

(ii) the following point (ca) is inserted:

‘(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, both for cross-zonal and for intra-zonal trade;’

‘(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, both for cross-zonal and for intra-zonal trade at all times between themselves, including after the intraday cross-zonal gate closure. In particular, NEMOs shall submit orders for day-ahead and intraday products to the single day-ahead and intraday coupling until the latest point in time when day-ahead or intraday trading is allowed in a given bidding zone. NEMOs shall not organise the trading with day-ahead and intraday products outside the single day-ahead and intraday coupling. This obligation shall apply to NEMOs, and where appropriate to undertakings which directly or indirectly exercise control or any right over a NEMO and to undertakings which are directly or indirectly exercise control or are controlled by a NEMO.

Justification

Eurelectric supports the sharing of order books provision to share liquidity. However, we recommend not going beyond the scope prescribed by the Commission regarding the products concerned by this provision. Furthermore, Eurelectric underlines that the wording regarding the definition of “undertaking” is ambiguous and should be clarified to ensure that it applies exclusively to NEMOs. Some clarifications in the wording are needed to ensure that the provisions do not apply to market participants and in particular market participants holding shares in Power Exchanges that could be classified as “undertakings”. This would restrict them from trading OTCs, which would be detrimental. Last but not least, we caution against the proposal to completely ban the local/national products. This proposal could entail negative side effects, which will eventually endanger the integrity of markets and render the energy transition impossible. We are making proposals in that regard.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Unit-based bidding

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 12

Article 7.2(f) (Regulation)

Original text

Original text +amendments

(iia) point (f) is replaced by the following:

'(f) be transparent and, where applicable, provide information by generation units while at the same time protecting the confidentiality of commercially sensitive information and ensuring trading occurs in an anonymous manner;'

[This addition by EP should be removed]

Justification

The proposed shift to unit-based bidding by the European Parliament would represent a major change for most EU Member States. Such a shift would result in a more costly and inefficient bidding process and would go against the principle of zonal market where any asset contributes to the balance of a bidding zone regardless of its location and type. Therefore, this addition by EP should be removed.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Peak Shaving

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 13

Article 7a (Regulation)

Original text

1. Without prejudice to Article 40(5) and 40(6) of the Electricity Directive, transmission system operators may procure peak shaving products in order to achieve a reduction of electricity demand during peak hours.

2. Transmission system operators seeking to procure a peak shaving product shall submit a proposal setting out the dimensioning and conditions for the procurement of the peak shaving product to the regulatory authority of the Member State concerned. The proposal of

Original text + amendments

1. By December 2024, ACER, after consulting ENTSO for Electricity, and the EU DSO Entity, shall carry out an assessment of the possibility of system operators to procure peak shaving products in order to achieve a reduction of electricity demand and price during peak hours. That assessment shall take into consideration the need for peak shaving products not to distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. That assessment shall also take into account specific national developments and assess the possibility of procuring peak shaving products. Such procurement shall be limited to the duration set out in the decision adopted pursuant to Article 66a(12) of Directive (EU) 2019/944.

2. Where the Commission has adopted a decision declaring an electricity price crisis pursuant to Article 66a of Directive ... [revised EMD Directive] ~~and taking into account~~ subject to the condition of a positive ~~the~~ results of the Agency's assessment as referred to in paragraph 1, or existing assessments until the latter is carried out, system operators may, during the application period of that decision, procure peak shaving products in order to achieve a reduction of electricity demand and price in peak hours.

Where system operators seek to procure a peak shaving product, they shall submit a proposal setting out the dimensioning and conditions for the procurement and activation of the peak shaving product to the regulatory authority of the Member State concerned. The proposal of the relevant system operator shall

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

the transmission system operator shall comply with the following requirements:

(a) the dimensioning of the peak shaving product shall be based on an analysis of the need for an additional service to ensure security of supply. The analysis shall take into account a reliability standard or objective and transparent grid stability criteria approved by the regulatory authority. The dimensioning shall take into account the forecast of demand, the forecast of electricity generated from renewable energy sources and the forecast of other sources of flexibility in the system. The dimensioning of the peak shaving product shall be limited to ensure that the expected benefits of the product do not exceed the forecasted costs;

(b) the procurement of a peak shaving product shall be based on objective, transparent, non-discriminatory criteria and be limited to demand response;

(c) the procurement of the peak shaving product shall take place using a competitive bidding process, with selection based on the lowest cost of meeting pre-defined technical and environmental criteria;

(d) contracts for a peak shaving product shall not be concluded more than two days before its activation and the contracting period shall be no longer than one day;

comply with the following requirements:

(a) the dimensioning of the peak shaving product shall be based on an analysis of the need for an additional service to ensure security of supply. The analysis shall take into account the market impact of the peak shaving product, its expected costs and benefits and a reliability standard or objective and transparent grid stability criteria approved by the regulatory authority. The dimensioning shall take into account the forecast of demand, the forecast of electricity generated from renewable energy sources and the forecast of other sources of flexibility in the system, such as energy storage. The dimensioning of the peak shaving product shall be transparent, carried out after consulting market participants and limited to ensure that the forecasted costs do not exceed the expected benefits of the product and do not increase the greenhouse gas emissions of the energy system at the moment of its activation;

(b) the procurement of a peak shaving product shall be based on objective, market-based, transparent, non-discriminatory criteria and be limited to demand response; it shall not exclude participating assets from accessing other markets;

(c) the procurement of the peak shaving product shall take place using a competitive bidding process, which may be continuous, with selection based on the lowest cost of meeting pre-defined technical and environmental criteria, and shall allow the effective participation of small consumers, directly or through aggregation;

(ca) the minimum bid size shall be 100 kW, including through aggregation;

(d) contracts for a peak shaving product shall not be concluded more than a week-ahead before its activation;

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;

(f) the activation of the peak shaving product shall take place after the closure of the day-ahead market and before the start of the balancing market;

(g) the peak shaving product shall not imply starting generation located behind the metering point.

3. The actual reduction of consumption resulting from the activation of a peak shaving product shall be measured against a baseline, reflecting the expected electricity consumption without the activation of the peak shaving product. Transmission system operators shall develop a baseline methodology in consultation with market participants and submit it to the regulatory authority.

(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;

(f) the activation of the peak shaving product shall take place after the closure of the day-ahead market and before the start of the balancing market;

(g) the peak shaving product shall not imply starting generation located behind the metering point.

3. The actual reduction of consumption resulting from the activation of a peak shaving product shall be measured against a baseline, reflecting the expected electricity consumption without the activation of the peak shaving product. Where a system operator decides to procure a peak shaving product in accordance with paragraph 2, second subparagraph of this Article, it shall develop a baseline methodology in consultation with market participants and in compliance with Article 23 of Directive (EU) 2019/944 and the procedures set out in the network code adopted pursuant to Article 59 and submit it to the regulatory authority for approval. Where the proposal referred to in paragraph 2, second subparagraph of this Article, does not meet the requirements laid down in that subparagraph, the regulatory authority shall request the system operator to amend the proposal.

Justification

Eurelectric welcomes the EP proposal to have an impact assessment before issuing a legislative proposal. Moreover, we appreciate the limitation of this instrument to emergency situations (art. 66a) as well as the expansion to all SOs.

Furthermore, we also agree with the dimensioning requiring that peak shaving shall not distort the market, shall not be excluded from value stacking, and allow the effective participation of small consumers (notably through aggregation).

Our only concern lies with the call for the assessment to also include using such a product during normal situations, which may open the door for such a product to be used outside of crisis situations. We see this as a purely emergency intervention tool and too distortive to be applied outside of emergency situations.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Virtual Trading Hubs

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 14

Article 9 (Regulation)

Original text

1. By 1 December 2024 the ENTSO for Electricity shall submit to ACER, after having consulted ESMA, a proposal for the establishment of regional virtual hubs for the forward market. The proposal shall:

Original text +amendments

By ... [six months after the date of entry into force of this amending Regulation], transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow market participants, including owners of power-generating facilities using renewable energy, to hedge price risks across bidding zone borders. Long-term transmission rights shall be allocated, in accordance with Regulation (EU) 2016/1719, on a regular basis, in a transparent, market based and non-discriminatory manner, with a range of maturities of up to at least three years ahead. The frequency of allocation of the long-term cross-zonal capacity shall support the efficient functioning of the forward market. The transmission system operators shall develop an approach aiming to increase the volume of cross-zonal capacities in forward markets and liquidity.

-1a. By ... [12 months after the date of entry into force of this amending Regulation], the Commission, after consulting ENTSO for Electricity and relevant market stakeholders including Market Participants, shall conduct an assessment of the possible implementation of practical solutions addressing hedging needs of market parties. That assessment shall consider at least the following:

- (a) the frequency of auctions for long-term transmission rights;
- (b) adequate product maturities for transmission rights extended up to at least three years;
- (c) the development of a secondary market;
- (d) ~~study alternative adoption of~~ products such as financial transmission rights

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

obligations while considering hedging needs of market parties;
(e) the improvement of investors' certainty and consumer price stability;
(f) process on full cost-recovery to handle any financial risks and losses arising from these additional measures ensured by the regulatory authority;
(g) the timeline for implementation.

1. By ... [18 months after the date of entry into force of this amending Regulation], the Commission, after consulting ACER, ENTSO for Electricity and ESMA, Market Participants, including and other relevant stakeholders, shall submit to the European Parliament and to the Council an assessment of the impact of the establishment of regional virtual hubs for the forward market on the functioning of the electricity markets and contingent to a positive outcome of the Impact Assessment, where appropriate revise the Commission Regulation (EU) 2016/1719 in accordance with Article 59(1). The impact assessment shall focus, inter alia, on:
(-a) determining the impact of regional virtual hubs on at least the forward market, transmission system operators, market participants and end-consumers as well as the potential benefits and drawbacks that regional virtual hubs would bring as compared to the existing zonal model;

(a) define the geographical scope of the virtual hubs for the forward market, including the bidding zones constituting these hubs, aiming to maximise the price correlation between the reference prices and the prices of the bidding zones constituting virtual hubs;

(a) defining the adequate geographical scope of the regional virtual hubs, including the bidding zones constituting these hubs and specific situations of bidding zones belonging to two or more virtual hubs, aiming to maximise the price correlation between the reference prices and the prices of the bidding zones constituting regional virtual hubs;

(aa) giving due consideration to the level of electricity interconnectivity of Member States, in particular of those Member States below the interconnection targets for 2020 and 2030 laid down in Article 4, point (d)(1),

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

(b)include a methodology for the calculation of the reference prices for the virtual hubs for the forward market, aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a virtual hub; such methodology shall be applicable to all virtual hubs and based on predefined objective criteria;

(c)include a definition of financial long-term transmission rights from bidding zones to the virtual hubs for the forward market;

(d)maximise the trading opportunities for hedging products referencing the virtual hubs for the forward market as well as for long term transmission rights from bidding zones to virtual hubs.

2. Within six months of receipt of the proposal on the establishment of the regional virtual hubs for the forward market, ACER shall evaluate it and either approve or amend it. In the latter case, ACER shall consult the ENTSO for Electricity before adopting the amendments. The adopted proposal shall be published on ACER's website.

3. The single allocation platform established in accordance with Regulation (EU) 2016/1719 shall have a legal form as referred to in Annex

of Regulation (EU) 2018/1999;

(b) evaluating a methodology for the calculation of the reference prices for the regional virtual hubs for the forward market, aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a regional virtual hub based on predefined objective criteria;

(c) including a definition of financial long-term transmission rights from bidding zones to the regional virtual hubs as financial obligations or options to enable market participants to hedge their exposure to positive and negative price spreads, including as regards to volumes and maturities, and the need to offer trading of long-term transmission rights between each bidding zone and the regional virtual hub;

(ca) The assessment shall include financial risks related to the remaining zone-to-hub risk. This comprises the part of the risk that would be subject to issuance of financial transmission rights - taking into account the expected volumes of available financial transmission rights -, as well as the part of the risk that will have to be managed by market participants themselves.

(d) how to maximise the trading opportunities for hedging products referencing the regional virtual hubs as well as for long term transmission rights from bidding zones to regional virtual hubs; (da) specifying how the single allocation platform referred to in paragraph 3 shall offer allocation and facilitate trading of long-term transmission rights; (db) including an indicative implementation process.

3. The single allocation platform established in accordance with Regulation (EU) 2016/1719 shall act as an entity offering allocation and

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

II to Directive (EU) 2017/1132 of the European Parliament and of the Council.

4. The single allocation platform shall:

(a) offer trading of long-term transmission rights between each bidding zone and virtual hub; where a bidding zone is not part of a virtual hub it may issue financial long-term transmission rights to a virtual hub or to other bidding zones that are part of the same capacity calculation region;

(b) allocate long-term cross-zonal capacity on a regular basis and in a transparent, market-based and non-discriminatory manner; the frequency of allocation of the long-term cross-zonal capacity shall support the efficient functioning of the forward market;

(c) offer trading of financial transmission rights that shall allow holders of these financial transmission rights to remove exposure to positive and negative price spreads, and with frequent maturities of up to at least three years ahead.

5. Where a regulatory authority considers that there are insufficient hedging opportunities available for market participants, and after consultation of relevant financial market competent authorities in case the forward markets concern financial instruments as defined under Article 4(1)(15), it may require power exchanges or transmission system operators to implement additional measures, such as market-making activities, to improve the liquidity of the forward market. Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) 648/2012 and 600/2014, market operators shall be free to develop forward hedging products, including long-term forward hedging products, to provide market participants, including owners of power-generating facilities using renewable energy sources, with appropriate possibilities for

facilitating trading of long-term transmission rights on behalf of the transmission system operators. It shall have a legal form as referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council.

4. The single allocation platform shall:

(a) offer trading of long-term transmission rights between each bidding zone and, where relevant, regional virtual hub; where a bidding zone is not part of a virtual hub it may issue financial long-term transmission rights to a virtual hub or to other bidding zones that are part of the same capacity calculation region;

(b) allocate long-term cross-zonal capacity on a regular basis and in a transparent, market-based and non-discriminatory manner; the frequency of allocation of the long-term cross-zonal capacity shall support the efficient functioning of the forward market;

(c) offer trading of financial transmission rights that shall allow holders of these financial transmission rights to remove exposure to positive and negative price spreads, and with frequent maturities of up to at least three years ahead.

5. Where a regulatory authority, on the basis of the assessment referred to in paragraph 1 of this Article considers that there are insufficient hedging opportunities available for market participants, and after consultation of relevant financial market competent authorities in case the forward markets concern financial instruments as defined in Article 4(1), point (15), of Directive (EU) 2014/65, regulatory authorities may require power exchanges or transmission system operators to implement additional measures, such as voluntary market-making activities, to improve the liquidity of the forward market. Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) No 648/2012 and 600/2014, market operators shall be free to develop forward hedging products, including long-term forward hedging

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

hedging financial risks against price fluctuations. Member States shall not require that such hedging activity may be limited to trades within a Member State or bidding zone."

products, to provide market participants, including owners of power-generating facilities using renewable energy sources, with appropriate possibilities for hedging financial risks against price fluctuations. Member States shall not require that such hedging activity may be limited to trades within a Member State or bidding zone.';

Justification

We maintain our scepticism regarding the introduction of Virtual Trading Hubs (VTH) without a thorough impact assessment (IA) and we believe their implementation should be contingent on a positive outcome of the IA. This theoretical and disruptive tool could significantly distort the market. Hence, Eurelectric prefers the EP proposal since it includes, first, quick wins to enhance forward market liquidity, such as longer maturities, and more frequent and increased Long-Term Transmission Rights volume issuance. We welcome the fact that both the EP and the Council are asking for an Impact Assessment (IA) to be made. Nevertheless, the text should be more precise on what the IA should include, and that the implementation of the VTH is subjected to a positive IA and an extensive stakeholder consultation. We are making concrete wording proposals in that regard.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Single entity

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 15

Article 7.1 & 59.1(b) (Regulation)

Original text

Original text +amendments

Article 7.1 (regulation)

Article 7.1 (regulation)

1. Transmission system operators and NEMOs shall jointly organise the management of the integrated day-ahead and intraday markets in accordance with Regulation (EU) 2015/1222. Transmission system operators and NEMOs shall cooperate at Union level or, where more appropriate, at a regional level in order to maximise the efficiency and effectiveness of Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of Union competition law. In their functions relating to electricity trading, transmission system operators and NEMOs shall be subject to regulatory oversight by the regulatory authorities pursuant to Article 59 of Directive (EU) 2019/944 and ACER pursuant to Articles 4 and 8 of Regulation (EU) 2019/942.

1. Transmission system operators and NEMOs~~, or an entity designated by them,~~ shall jointly organise the management of the integrated day-ahead and intraday markets in accordance with Regulation (EU) 2015/1222. Transmission system operators and NEMOs shall cooperate at Union level or, where more appropriate, at a regional level in order to maximise the efficiency and effectiveness of Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of Union competition law. In their functions relating to electricity trading, transmission system operators and NEMOs ~~, or an entity designated by them,~~ shall be subject to regulatory oversight by the regulatory authorities pursuant to Article 59 of Directive (EU) 2019/944 and ACER pursuant to Articles 4 and 8 of Regulation (EU) 2019/942.'

Art. 59.1(b) (Regulation)

Art. 59.1(b) (Regulation)

“(b), capacity-allocation and congestion-management rules pursuant to Article 6 of Directive (EU) 2019/944 and Articles 7 to 10, 13 to 17, 19 and 35 to 37 of this Regulation, including rules on day-ahead, intraday and forward capacity calculation methodologies and processes, grid models, bidding zone configuration, redispatching and countertrading, trading algorithms, single day-ahead and intraday coupling including the possibility of being operated by a single entity, the firmness of allocated cross-zonal capacity, congestion income distribution, the allocation

“(b), capacity-allocation and congestion-management rules pursuant to Article 6 of Directive (EU) 2019/944 and Articles 7 to 10, 13 to 17, 19 and 35 to 37 of this Regulation, including rules on day- ahead, intraday and forward capacity calculation methodologies and processes, grid models, bidding zone configuration, redispatching and countertrading, trading algorithms, single day-ahead and intraday coupling including the possibility of being operated by a single entity, the firmness of allocated cross- zonal capacity, congestion income distribution, the

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

of financial long-term transmission rights by the single allocation platform, cross-zonal transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery;”

regional virtual hubs for the forward market, the allocation and facilitation of trading of financial long-term transmission rights by the single allocation platform, cross-zonal transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery;”

Justification

The Commission and Council opened the possibility for a single entity to operate SDAC and SIDC. Eurelectric is against the inclusion of this provision which will interfere with the CACM guidelines revision process. The proposed changes could endanger the current processes and upcoming CACM projects. Additionally, the transition costs could burden market participants and consumers. To prevent governance changes from delaying ongoing MCO algorithm implementation and compromising MCO functionalities for market parties, this idea should be rejected.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for PPA

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 16

Article 19a (Regulation)

Original text

"1. Member States shall facilitate power purchase agreements ('PPAs') with a view to reaching the objectives set out in their integrated national energy and climate plan with respect to the dimension decarbonisation referred to in point (a) of Article 4 of Regulation (EU) 2018/1999, while preserving competitive and liquid electricity markets.

2. Member States shall ensure that instruments such as guarantee schemes at market prices, to reduce the financial risks associated to off-taker payment default in the framework of PPAs are in place and accessible to customers that face entry barriers to the PPA market and are not in financial difficulty in line with Articles 107 and 108 TFEU. For this purpose, Member States shall take into account Union-level instruments. Member States shall determine what categories of customers are targeted by these instruments, applying non-discriminatory criteria.

3. Guarantee schemes for PPAs backed by the Member States shall include provisions to avoid lowering the liquidity in electricity markets and shall not provide support to the purchase of generation from fossil fuels.

4. In the design of the support schemes for electricity from renewable sources, Member States shall allow the participation of projects which reserve part of the electricity for sale through a PPA or other market-based arrangements and endeavour to make use of evaluation criteria to incentivise the access to

Original text + amendments

1. Member States shall facilitate power purchase agreements ('PPAs') with a view to reaching the objectives set out in their integrated national energy and climate plan with respect to the dimension decarbonisation referred to in point (a) of Article 4 of Regulation (EU) 2018/1999, while preserving competitive and liquid electricity markets.

2. Member States shall ensure that instruments such as guarantee schemes at market prices, to reduce the financial risks associated to off-taker payment default in the framework of PPAs are in place and accessible to customers that face entry barriers to the PPA market and are not in financial difficulty in line with Articles 107 and 108 TFEU. Such instruments may include guarantee schemes at market prices. For this purpose, Member States ~~shall~~may take into account Union-level instruments. Member States ~~shall~~may determine what categories of customers are targeted by these instruments, applying non-discriminatory criteria.

3. If a guarantee schemes for PPAs is backed by the Member States it shall include provision to avoid lowering the liquidity in electricity markets and shall not provide support to the purchase of generation from fossil fuels.

4. In the design of the ~~Support~~ schemes for electricity from renewable sources, ~~Member States~~ shall allow the participation of projects which reserve part of the electricity for sale through a PPA or other market-based arrangements. In the design of such support schemes Member States and shall endeavour

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

the PPA market for customers that face entry barriers. In particular, such evaluation criteria may give preference to bidders presenting a signed PPA or a commitment to sign a PPA for part of the project's generation from one or several potential buyers that face entry barriers to the PPA market.

to make use of evaluation criteria to incentivise the access to the PPA market for customers that face entry barriers. In particular, such evaluation criteria may give preference to bidders presenting a signed PPA or a commitment to sign a PPA for part of the project's generation from one or several potential buyers that face entry barriers to the PPA market.

5.PPAs shall specify the bidding zone of delivery and the responsibility for securing cross-zonal transmission rights in case of a change of bidding zone in accordance with Article 14.

5. PPAs shall specify the bidding zone of delivery and the responsibility for securing cross-zonal transmission rights in case of a change of bidding zone in accordance with Article 14.

6.PPAs shall specify the conditions under which customers and producers may exit from PPAs, such as any applicable exit fees and notice periods, in accordance with Union competition law."

6. PPAs shall specify the conditions under which customers and producers may exit from PPAs, such as any applicable exit fees and notice periods, in accordance with Union competition law.

Justification

Eurelectric defends the Council and Commission's proposals since they ensure that PPAs remain a technologically open voluntary long-term contracting mechanism for both existing and new generation assets. On the other hand, we strongly caution against the introduction of a Union PPA database, such as proposed by the EP, since it will only increase bureaucracy and administrative costs for market players and force them to disclose commercially sensitive data. There is a need to ensure a level playing field between CfDs and PPAs and to avoid the crowd-out effect that an extensive use of CfDs can have on the PPA market. RES support schemes should be designed not to discourage investors in the RES PPAs market.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Direct Price Support Schemes

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 17

Article 19b (Regulation)

Original text

1. Direct price support schemes for new investments for the generation of electricity from the sources listed in paragraph 2 shall take the form of a two-way contract for differences. New investments for the generation of electricity shall include investments in new power-generating facilities, investments aimed at repowering existing power-generating facilities, investments aimed at extending existing power-generating facilities or at prolonging their lifetime.

Original text + amendments

1. Direct price support schemes for **investments in new power-generating facilities** for the generation of electricity from the sources listed in paragraph 2 shall take the form of a two-way **contracts** for differences **or equivalent mechanism**.

The first subparagraph shall apply to contracts under direct price support schemes for investments in new generation concluded as of three years after [the date of entry into force of this Regulation]. For offshore hybrid asset projects connected to two or more bidding zones, the transitional period shall be five years after [the date of entry into force of this Regulation].

The participation of market participants in direct price support schemes in the form of two-way contracts for difference shall be voluntary.

1a. All direct price support schemes in the form of two-way contracts for difference shall be designed to:

- (a) preserve incentives for the generating facility to operate and participate efficiently in the electricity markets, in particular to reflect market circumstances.**
- (b) Prevent any distortive effect of the support scheme on the operation, dispatch and maintenance decisions of the generating facility or on bidding behaviour in day-ahead,**

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

intraday, ancillary services and balancing markets;

- (c) ensure that the level of the minimum remuneration protection and of the upward limit to excess remuneration are aligned with the cost of the new investment, the market revenues, to guarantee the long-term economic viability of the power generating facility while avoiding overcompensation;
- (d) avoid undue distortions to competition and trade in the internal market, notably by determining remuneration amounts through a competitive bidding process that it is open, clear, transparent and non-discriminatory. In cases where no competitive bidding process can be conducted, contracts for difference – and the applicable strike prices - shall be designed to ensure that the distribution of revenues to undertakings does not create undue distortions to competition and trade in the internal market.
- (e) Avoid distortions to competition and trade in the internal market. resulting from the distribution of revenues to undertakings.

1b.In the assessment of two-way contracts for difference under Articles 107 and 108 TFEU, the Commission shall ensure compliance with the design principles pursuant to paragraph 1a.

2.Paragraph 1 shall apply to new investments in generation of electricity from the following sources:

- (a)wind energy;
- (b)solar energy;
- (c)geothermal energy;
- (d)hydropower without reservoir;
- (e)nuclear energy;

2.Paragraph 1 shall apply to investments in **new** generation of electricity from the following sources:

- (a) wind energy;
- (b) solar energy;
- (c) geothermal energy;
- (d) hydropower without reservoir;
- (e) nuclear energy;

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

3. Direct price support schemes in the form of two-way contracts for difference shall:

(a) be designed so that the revenues collected when the market price is above the strike price are distributed to all final electricity customers based on their share of consumption (same cost / refund per MWh consumed);

(b) ensure that the distribution of the revenues to final electricity customers is designed so as not to remove the incentives of consumers to reduce their consumption or shift it to periods when electricity prices are low and not to undermine competition between electricity suppliers;"

3. The revenues, or the equivalent in financial value of those revenues, arising from direct price support schemes in the form of two-way contracts for difference referred to in paragraph 1 shall be distributed to final customers.

Notwithstanding the requirement in the first subparagraph, the revenues, or the equivalent in financial value of those revenues, may also be used to finance the costs of the direct support schemes or investments to reduce electricity costs for final customers.

The distribution of revenues to final customers shall be designed to maintain incentives to reduce their consumption or shift it to periods when electricity prices are low and not to undermine competition between electricity suppliers.

The distribution of—revenues to final customers shall be designed to maintain incentives to reduce their consumption or shift it to periods when electricity prices are low and not to undermine competition between electricity suppliers.

4. In line with the third subparagraph of Article 4(3) of Directive (EU) 2018/2001, Member States may exempt small-scale renewables installations and demonstration projects from the obligation under paragraph 1.

Justification

We appreciate the Council's approach to maintaining voluntary participation by market participants, and we also support the idea that provisions regarding CfDs (or equivalent support schemes) should primarily focus on new power-generation facilities. This approach helps limit the potential for retroactive mandatory application to existing assets.

During the interinstitutional trilogue negotiations, we strongly recommend preserving the detailed design criteria that apply to all CfDs. These criteria, such as preventing distortive effects on dispatch, operation, and trade (as outlined in Art.19b - 1a), ensuring sufficient flexibility for Member States in

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

allocating revenues (or their financial equivalents) to reduce electricity costs for end-users and support the energy transition, and mandating the Commission to assess compliance with State Aid rules and the aforementioned criteria (as outlined in Art.19b - 1a), are crucial.

Furthermore, we welcome the Parliament's provisions encouraging contractual innovation for CfDs (and similar support measures) to be tailored effectively to national and technological specificities. We also acknowledge the importance of considering locational criteria to prevent grid congestion from being created or exacerbated by direct price support schemes.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Anticipatory Investments in Grids

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 18

Article 18.2 & 3 (new) (Regulation)

Original text

“2. Tariff methodologies shall reflect the fixed costs of transmission system operators and distribution system operators and shall consider both capital and operational expenditure to provide appropriate incentives to transmission system operators and distribution system operators over both the short and long run, including anticipatory investments, in order to increase efficiencies, including energy efficiency, to foster market integration and security of supply, to support the use of flexibility services, efficient investments including solutions to optimise the existing grid and facilitate demand response and related research activities, and to facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection”;

Original text +amendments

2. Tariff methodologies shall reflect the **fixed** costs of transmission system operators and distribution system operators and shall consider both capital and operational expenditure, **or an efficient combination of both,** to provide appropriate incentives to transmission system operators and distribution system operators over **both** the short, **medium** and long run, including anticipatory investments, in order to **invest in network infrastructure reinforcement to facilitate the energy transition and in the additional physical and digital network elements needed to reach the objectives set out in the national energy and climate plans, and at the same time** to increase efficiencies, including energy efficiency, to foster market integration, **renewable energy production capacity** and security of supply, to support the use of flexibility services, **to enable the use of flexible connection arrangements,** efficient **and timely** investments, including solutions to optimise the existing grid **and to ensure the development of a smart grid** and facilitate **energy storage,** demand response and related research activities, **to reduce environmental impact, to promote acceptance,** and to facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection, **in particular to develop the required infrastructure to reach the minimum 15 % electricity interconnection target for 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999. Any obstacle in national regulation to the necessary and efficient investments must be abolished.**

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

The regulatory authorities, in cooperation with transmission and distribution system operators, including other relevant stakeholders, shall develop a framework to assess whether transmission and distribution system operators adequately consider in their network development plans all types of anticipatory investments, such as investments for the development of grids linked to renewables acceleration areas, electric vehicle charging infrastructure or heat pump deployment, and adequate cost-benefit analysis methodology for assessing the impact of such investments.' The regulatory authorities shall ensure a balanced sharing of responsibilities between grid users and system operators in case of underutilisation of grid built in a anticipatory way to avoid any financial disincentive for system operators as a result;

3.Where appropriate, the level of the connection tariffs applied ~~to producers or final customers, or both~~ shall provide locational investment signals, such as e.g. incentives via connection tariff structure, to reduce re-dispatching and power grid reinforcement costs. ~~at Union level, and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.'~~

Justification

Eurelectric supports the EP provision related to anticipatory investments in grids. This is critically important to enable necessary and timely upgrades in the distribution and transmission grids. We support the EP proposals that go further than the Commissions & Council's texts. However:

- further clarification about the regulatory treatment is needed in order to operationalize this possibility in practice and ensure that system operators do not have financial disincentives as a result (for example, normal asset underutilization may be equated to inefficiency) and risk sharing must be balanced;*
- we believe that the revision of the Electricity Directive should set a clear principle that any obstacle at the national level to invest in digitalisation and automation of the grids in view of procuring flexibility services should be removed;*
- distribution tariffs are cost-reflective and decided at the national level by the National Regulatory Authority. This results in tariffs which can vary widely across Europe. Therefore, subsidiarity on the tariff structure must be kept so as to reflect national specificities.*

We are making a concrete amendment proposal in that regard.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Supplier of last resort and vulnerable consumers

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 19

Article 27a and 28a (Directive)

Original text

Art: 27a

1. Member States shall appoint suppliers of last resort at least for household customers. Suppliers of last resort shall be appointed in a fair, open, transparent and non-discriminatory procedure.

2. Final customers who are transferred to suppliers of last resort shall not lose their rights as customers, in particular those rights laid down in Articles 4, 10, 11, 12, 14, 18 and 26.

3. Member States shall ensure that suppliers of last resort promptly communicate the terms and conditions to transferred customers and ensure seamless continuity of service for those customers for at least 6 months.

4. Member States shall ensure that final customers are provided with information and encouragement to switch to a market-based offer.

5. Member States may require the supplier of last resort to supply electricity to household customers who do not receive market based offers. In such cases, the conditions set out in Article 5 shall apply.”

Art:28a

Member States shall ensure that vulnerable customers are protected from electricity disconnections. This shall be provided as part of the concept of vulnerable customers

Original text +amendments

Art: 27a

1. Member States **shall implement a supplier of last resort regime to ensure continuity of supply** ~~appoint suppliers of last resort~~ at least for household customers. Suppliers of last resort shall be appointed in a fair, ~~open~~, transparent and non-discriminatory procedure.

2. Final customers who are transferred to suppliers of last resort shall not lose their rights as customers, in particular those rights laid down in Articles 4, 10, ~~11~~, 12, 14, 18 and 26.

3. Member States shall ensure that suppliers of last resort promptly communicate the terms and conditions to transferred customers and ensure seamless continuity of service for those customers for at least 6 months.

4. Member States shall ensure that final customers are provided with information and encouragement to switch to a market-based offer.

5. Member States may require ~~athe~~ supplier of last resort to supply electricity to household customers who do not receive market based offers. In such cases, the conditions set out in Article 5 shall apply.”

Art. 28a

Member States shall ensure that vulnerable customers are protected from electricity disconnections. This shall be provided as part of the concept of vulnerable customers

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

pursuant to Article 28 (1) of this Directive and without prejudice to the measures set out in Article10(11).

pursuant to Article 28 (1) of this Directive and without prejudice to the measures set out in Article10(11).

Justification

The extension of the Supplier of Last Resort regime to SMEs is very worrying and increases substantially the hedging risk (especially if an obligation is triggered at the Member States level under Art 18a New – Directive). The application of Art. 5 to regulate prices in “normal” circumstances, and below cost (Art 66a) can lead to losses that threaten the financial stability of suppliers. All the above in combination with an extension of the disconnection ban to “consumers at risk of energy poverty” as foreseen in the EP position, lacks a clear scope for application/excessively broadens it significantly worsens the risk of bad debt. We support the protection of vulnerable consumers from electricity disconnections, in particular in critical times, rather than a total ban on disconnection. Furthermore, we appreciate that the Presidency’s proposal attempts not to duplicate the consumer protection provisions already established in the Energy Efficiency Directive (EED). That is why, Eurelectric prefers the Council position.

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

Amendment Proposals for Capacity Mechanisms

Text proposed by Commission

Amendment proposal by Eurelectric

Amendment 20

Recital 40a, Article 22 (Regulation), Article 69 (Regulation)

Original text

Original text +**amendments**

Recital 40a

The energy crisis has demonstrated the need for flexible back-up generation, a need which is more acute with an increasing share of renewables in the electricity mix or when the level of interconnections in a Member State is not sufficiently developed. Therefore, in order to facilitate the integration of an increasing share of renewable generation into the electricity system, capacity mechanisms should not be considered as an element of last resort where that is determined following a resource adequacy assessment

Art. 22 (Regulation)

Paragraph 1

1. Any capacity mechanism shall:

~~(a) be temporary;~~

(b) not create undue market distortions and not limit cross-zonal trade; [...]

Art 69 (Regulation)

4. By ... [one month after the date of entry into force of this amending Regulation], the Commission shall submit to the European Parliament and to the Council a detailed report assessing possibilities of streamlining and simplifying the process of applying a capacity mechanism under Chapter IV of this Regulation, so as to ensure that adequacy concerns can be addressed by Member States in a timely manner. In that context, the Commission shall request that

Key:

Council

EP

Eurelectric own proposed text (not present in the co-legislators' positions)

ACER amends the methodology for the European resource adequacy assessment referred to in Article 23 in accordance with the process set out in Articles 23 and 27, as appropriate.

By ... [three months after the date of entry into force of this amending Regulation] the Commission shall, after consulting the Member States, come forward with proposals with a view to simplifying the process of assessing capacity mechanisms as appropriate.

5. By 30 June 2024, the Commission shall, after consulting the Member States, transmission system operators, ACER and regulatory authorities, shall submit to the European Parliament and to the Council a detailed assessment on the implications of the introduction of capacity mechanisms as a structural element of the electricity market and its impacts on the functioning of the internal electricity market and its evolution towards a net-zero emission system. That assessment shall be focused, inter alia, on assessing a design of such capacity mechanisms that ensures investments in firm renewable capacity, storage and demand response compatible with the Union's climate targets. In light of the conclusions, the Commission shall, where appropriate, accompany that assessment with a legislative proposal amending this Regulation.';

Justification

Capacity Mechanism can be a helpful tool for Member States to secure resource adequacy where needed. Eurelectric therefore welcomes both the Parliament and Council's provisions aiming at removing the temporary & last resort nature of capacity mechanisms. The proposed amendments would enable Member States to have the right toolbox to ensure adequacy and security of supply, making the approval of capacity mechanisms easier than today.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



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