



2023/0077(COD)

12.5.2023

*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council on Amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design
(COM(2023)0148 – C9-0049/2023 – 2023/0077(COD))

Committee on Industry, Research and Energy

Rapporteur: Nicolás González Casares

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on Amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design (COM(2023)0148 – C9-0049/2023 – 2023/0077(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2023)0148),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0050/2023),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of ... ¹,
 - having regard to the opinion of the Committee of the Regions of ... ²,
 - having regard to Rules 40 and 59 of its Rules of Procedure,
 - having regard to the letters from the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on the Internal Market and Consumer Protection and the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Industry, Research and Energy (A9-0000/2023),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1

¹ OJ C ... / Not yet published in the Official Journal.

² OJ C ... / Not yet published in the Official Journal.

Text proposed by the Commission

(1) Very high prices and volatility in electricity markets have been observed since **September** 2021. As set out by the European Agency for the Cooperation of Energy Regulators (‘ACER’) in its April 2022 assessment of EU wholesale electricity market design¹⁷, this is mainly a consequence of the high price of gas, which is used as an input to generate electricity.

¹⁷ European Union Agency for the Cooperation of Energy Regulators, ACER’s Final Assessment of the EU Wholesale Electricity Market Design, April 2022.

Amendment

(1) Very high prices and volatility in electricity markets have been observed since **July** 2021. As set out by the European Agency for the Cooperation of Energy Regulators (‘ACER’) in its April 2022 assessment of EU wholesale electricity market design¹⁷, this is mainly a consequence of the high price of gas, which is used as an input to generate electricity. ***Additional factors such as, maintenance, corrosion problems and outages experienced in several nuclear reactors further amplified the increase in electricity prices.***

¹⁷ European Union Agency for the Cooperation of Energy Regulators, ACER’s Final Assessment of the EU Wholesale Electricity Market Design, April 2022.

Or. en

Amendment 2

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) On 18 May 2022 the Commission presented the REPowerEU plan²⁰ that introduced additional measures focusing on energy savings, diversification of energy supplies and accelerated roll-out of renewable energy aiming at ending the Union’s dependency on Russian fossil fuels, including a proposal to increase the Union’s 2030 target for renewables to 45%. Furthermore, the Communication on Short-Term Energy Market Interventions and Long-Term Improvements to the Electricity Market Design²¹, in addition to

Amendment

(4) On 18 May 2022 the Commission presented the REPowerEU plan²⁰ that introduced additional measures focusing on energy savings, diversification of energy supplies, ***increased energy efficiency targets*** and accelerated roll-out of renewable energy aiming at ending the Union’s dependency on Russian fossil fuels, including a proposal to increase the Union’s 2030 target for renewables to 45%. Furthermore, the Communication on Short-Term Energy Market Interventions and Long-Term Improvements to the

setting out additional short-term measures to tackle high energy prices identified potential areas for improving the electricity market design and announced the intention to assess these areas with a view to change the legislative framework.

²⁰ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - REPowerEU Plan, COM(2022)230.

²¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action, COM(2022) 236 final.

Electricity Market Design²¹, in addition to setting out additional short-term measures to tackle high energy prices identified potential areas for improving the electricity market design and announced the intention to assess these areas with a view to change the legislative framework.

²⁰ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - REPowerEU Plan, COM(2022)230.

²¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action, COM(2022) 236 final.

Or. en

Amendment 3

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) A well-integrated market which builds on the Clean Energy for all Europeans Package adopted in 2018 and 2019²⁶ should allow the Union to reap the economic benefits of a single energy market in **normal market** circumstances, ensuring security of supply and sustaining the decarbonisation process. Cross-border interconnectivity also ensures safer, more reliable and efficient operation of the power system.

Amendment

(6) A well-integrated market which builds on the Clean Energy for all Europeans Package adopted in 2018 and 2019²⁶ should allow the Union to reap the economic benefits of a single energy market in **all** circumstances, **including during electricity prices crisis**, ensuring security of supply and sustaining the decarbonisation process. Cross-border interconnectivity also ensures safer, more reliable and efficient operation of the power system, **but also better resilience to short-term price shocks, hence the urgent need for Member States to strengthen**

their cooperation in order to accelerate all procedures to ensure that the minimum 15% electricity interconnection targets set out in point (1) of Article 4(d) of Regulation (EU) 2018/1999 are met.

²⁶ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, OJ L 328, 21.12.2018, p. 1; Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast), OJ L 328, 21.12.2018, p. 82; Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency, OJ L 328, 21.12.2018, p. 210; Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast), OJ L 158, 14.6.2019, p. 22; Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast), OJ L 158, 14.6.2019, p. 54; Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity (recast), OJ L 158, 14.6.2019, p. 125.

²⁶ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, OJ L 328, 21.12.2018, p. 1; Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast), OJ L 328, 21.12.2018, p. 82; Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency, OJ L 328, 21.12.2018, p. 210; Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast), OJ L 158, 14.6.2019, p. 22; Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast), OJ L 158, 14.6.2019, p. 54; Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity (recast), OJ L 158, 14.6.2019, p. 125.

Or. en

Amendment 4

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) In the context of the energy crisis, the current electricity market design has

Amendment

(8) In the context of the energy crisis, the current electricity market design has

however also revealed a number of important shortcomings linked to the impact of high and volatile fossil fuel prices on short-term electricity markets, which expose households and companies to significant price spikes with effects on their electricity bills.

however also revealed a number of important shortcomings ***and unexpected consequences*** linked to the impact of high and volatile fossil fuel prices on short-term electricity markets, which expose households and companies to significant price spikes with effects on their electricity bills.

Or. en

Amendment 5

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The reform of the electricity market design should benefit not just household consumers but also the competitiveness of the Union's industries by facilitating their possibilities to make the clean tech investments they require to meet their net zero transition paths. The energy transition in the Union needs to be supported by a strong clean technology manufacturing basis. These reforms will support the affordable electrification of industry and the Union's position as a global leader in terms of research and innovation in clean energy technologies.

Amendment

(11) The reform of the electricity market design ***should aim at achieving affordable and competitive electricity prices for all consumers. As such, it*** should benefit not just household consumers but also the competitiveness of the Union's industries by facilitating their possibilities to make the clean tech investments they require to meet their net zero transition paths. The energy transition in the Union needs to be supported by a strong clean technology manufacturing basis. These reforms will support the affordable electrification of industry and the Union's position as a global leader in terms of research and innovation in clean energy technologies.

Or. en

Amendment 6

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12 a) However, as the European Court

of Auditors concluded in its Special Report 03/2023: Internal electricity market integration, the internal electricity market was hindered by its regulatory approach and its weak governance framework, leading to delays and an incomplete market surveillance system. Therefore, the EU rules governing wholesale electricity price formation need to be reassessed in view of the energy crisis and the increase in renewable energy.

Or. en

Amendment 7

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) It is therefore important for the intraday markets to adapt to the participation of variable renewable energy technologies such as solar and wind as well as to the participation of demand *side* response and storage. The liquidity of the intraday markets should be improved with the sharing of the order books between market operators within a bidding zone, also when the cross-zonal capacities are set to zero or after the gate closure time of the intraday market. Furthermore, the gate closure time of the intraday market should be set closer to the time of delivery to maximize the opportunities for market participants to trade shortages and surplus of electricity and contribute to better integrating variable renewables in the electricity system.

Amendment

(14) It is therefore important for the intraday markets to adapt to the participation of variable renewable energy technologies such as solar and wind as well as to the participation of demand response and storage. The liquidity of the intraday markets should be improved with the sharing of the order books between market operators within a bidding zone, also when the cross-zonal capacities are set to zero or after the gate closure time of the intraday market. Furthermore, the gate closure time of the intraday market should be set closer to the time of delivery to maximize the opportunities for market participants to trade shortages and surplus of electricity and contribute to better integrating variable renewables in the electricity system ***provided that this measure does not impact the security of the national electricity system, does not lead to an increase in CO2 emissions and facilitates the integration of renewable energy.***

Or. en

Amendment 8

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) To ensure the efficient integration of electricity generated from variable renewable energy sources and to reduce the need for fossil-fuel based electricity generation in times ***when there is high demand for electricity combined with low levels of electricity generation from variable renewable energy sources***, it should be possible for transmission system operators to design a peak shaving product enabling demand response to contribute to decreasing peaks of consumption in the electricity system at specific hours of the day. The peak shaving product should contribute to maximize the integration of electricity produced from renewable sources into the system by shifting the electricity consumption to moments of the day with higher renewable electricity generation. As the peak shaving product aims to reduce and shift the electricity consumption, the scope of this product should be limited to demand ***side*** response. The procurement of the peak shaving product should take place in such a way that it does not overlap with the activation of balancing products which aim at maintaining the frequency of the electricity system stable. In order to verify volumes of activated demand reduction, the transmission system operator should use a baseline reflecting the expected electricity consumption without the activation of the peak shaving product.

Amendment

(16) To ensure the efficient integration of electricity generated from variable renewable energy sources and to reduce the need for fossil-fuel based electricity generation in times of electricity ***price crisis*** it should be possible for transmission ***and distribution*** system operators to design a peak shaving product enabling demand response to contribute to decreasing peaks of consumption in the electricity system at specific hours of the day. The peak shaving product should contribute to maximize the integration of electricity produced from renewable sources into the system by shifting the electricity consumption to moments of the day with higher renewable electricity generation. As the peak shaving product aims to reduce and shift the electricity consumption, the scope of this product should be limited to demand response. The procurement of the peak shaving product should take place in such a way that it does not overlap with the activation of balancing products which aim at maintaining the frequency of the electricity system stable. In order to verify volumes of activated demand reduction, the transmission system operator should use a baseline reflecting the expected electricity consumption without the activation of the peak shaving product. ***However, the Commission, together with ACER and ENTSO-E, should also assess the impacts on the functioning of the electricity market of the introduction of peak shaving products by the transmission and distribution system operators outside electricity price crisis situations. These products should help to reduce the electricity demand and price during peak***

hours, while ensuring these products do not to distort the functioning of the day-ahead, intraday and balancing markets and do not cause a redirection of demand response services towards peak shaving products.

Or. en

Amendment 9

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) In order to be able to actively participate in the electricity markets and to provide their flexibility, consumers are progressively equipped with smart metering systems. However, in a number of Member States the roll-out of smart metering systems is still slow. ***In those instances where smart metering systems are not yet installed and in instances where smart metering systems*** do not provide for the sufficient level of data granularity, transmission and distribution system operators should be able to use data from dedicated ***metering*** devices for the observability and settlement of flexibility services such as demand response and energy storage. Enabling the use of data from dedicated ***metering*** devices for observability and settlement should facilitate the active participation of the consumers in the market and the development of their demand response. The use of data from these dedicated ***metering*** devices should be accompanied by quality requirements relating to the data.

Amendment

(17) In order to be able to actively participate in the electricity markets and to provide their flexibility, consumers are progressively equipped with smart metering systems. However, in a number of Member States the roll-out of smart metering systems is still slow ***and therefore they*** do not provide for the sufficient level of data granularity. ***Member States should speed up the roll-out of smart metering systems. However, consumers should have the right to use/request a dedicated measurement device, independently from being already equipped with a smart metering system. In addition to the use of data from smart metering systems,*** transmission and distribution system operators should be able to use data from dedicated ***measurement*** devices for the observability and settlement of flexibility services such as demand response and energy storage. Enabling the use of data from dedicated ***measurement*** devices for observability and settlement should facilitate the active participation of the consumers in the market and the development of their demand response. The use of data from these dedicated ***measurement*** devices should be accompanied by quality

requirements relating to the data.

Or. en

Amendment 10

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Consumers and suppliers need effective and efficient forward markets to cover their long-term price exposure and decrease the dependence on short-term prices. To ensure that energy customers all over the EU can fully benefit from the advantages of integrated electricity markets and competition across the Union, the functioning of the Union's electricity forward market should be improved *via* the establishment of regional virtual hubs *with a view to* overcome the existing market fragmentation and the low liquidity experienced in many bidding zones. ***Regional virtual hubs should cover multiple bidding zones while ensuring an adequate price correlation. Some bidding zones may not be covered by a virtual hub in terms of contributing to the hub reference price. However, market participants from these bidding zones should still be able to hedge through a hub.***

Amendment

(19) Consumers and suppliers need effective and efficient forward markets to cover their long-term price exposure and decrease the dependence on short-term prices. To ensure that energy customers all over the EU can fully benefit from the advantages of integrated electricity markets and competition across the Union, the functioning of the Union's electricity forward market should be improved. The establishment of regional virtual hubs ***should be assessed as a possible option to help*** overcome the existing market fragmentation and the low liquidity experienced in many bidding zones.

Or. en

Amendment 11

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Virtual hubs should reflect the

Amendment

(20) ***Regional*** virtual hubs, ***where***

aggregated price of multiple bidding zones and provide a reference price, which should be used by market operators to offer forward hedging products. To that extent, virtual hubs should not be understood as entities arranging or executing transactions. The regional virtual hubs, by providing a reference price index, should enable the pooling of liquidity and provide better hedging opportunities to market participants.

applied, should *at least* reflect the aggregated price of multiple bidding zones and provide a reference price, which should be used by market operators to offer forward hedging products. To that extent, *regional* virtual hubs should not be understood as entities arranging or executing transactions. The regional virtual hubs, by providing a reference price index, should enable the pooling of liquidity and provide better hedging opportunities to market participants.

Or. en

Amendment 12

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) To enhance the possibilities of market participants for hedging, the role of the single allocation platform established in accordance with Commission Regulation (EU) 2016/1719 should be expanded. The single allocation platform should offer trading of financial long-term transmission rights between the different bidding zones and the regional virtual hubs. The orders submitted by market participants for financial transmission rights *shall* be matched by a simultaneous allocation of long term cross zonal capacity. Such matching and allocation should be performed on a regular basis, to ensure enough liquidity and, hence, efficient hedging possibilities to market participants. The long-term transmission rights should be issued with frequent maturities (ranging from month ahead to at least three years ahead), in order to be aligned with the typical hedging time horizon of market participants. The single allocation platform should be subject to monitoring and enforcement to ensure that it performs its

Amendment

(21) To enhance the possibilities of market participants for hedging, the role of the single allocation platform established in accordance with Commission Regulation (EU) 2016/1719 should be expanded. The single allocation platform should offer trading of financial long-term transmission rights between the different bidding zones and, *where established*, the regional virtual hubs. The orders submitted by market participants for financial transmission rights *should* be matched by a simultaneous allocation of long term cross zonal capacity. Such matching and allocation should be performed on a regular basis, to ensure enough liquidity and, hence, efficient hedging possibilities to market participants. The long-term transmission rights should be issued with frequent maturities (ranging from month ahead to at least three years ahead), in order to be aligned with the typical hedging time horizon of market participants. The single allocation platform should be subject to monitoring and enforcement to ensure

tasks properly.

that it performs its tasks properly.

Or. en

Amendment 13

Proposal for a regulation Recital 22 a (new)

Text proposed by the Commission

Amendment

(22 a) The energy transition requires a rapid acceleration in the deployment of renewables, onshore and offshore, and electrified demand promoting sector coupling. Such a prompt ramp-up of installations, together with the inherent complexities of managing an electricity system with variable and distributed resources, is posing substantial challenges to the grids. In general, the transmission grid will incorporate large amounts of onshore and offshore renewable capacities and transmit the electricity to demand areas, further interconnect Member States and enable flows from distributed renewables to other demand areas. The distribution grid will incorporate most new onshore renewable capacities and electrified and smart household demand. National regulatory authorities will play a central role in ensuring that enough investment goes into the necessary grid development, expansion and reinforcement. Regulatory authorities should promote the utilisation of anticipatory investments, encouraging the acceleration of grid development to meet the accelerated deployment of renewable generation and smart electrified demand such as electric vehicles and heat pumps. This may be the case in particular for designated renewables acceleration areas where anticipatory investments will be instrumental in ensuring that grids

become enablers and not bottlenecks.

Or. en

Amendment 14

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) Offshore renewable energy sources, such as offshore wind, ocean energy and floating photovoltaic, will play an instrumental role in building a power system largely based on renewables and in ensuring climate neutrality by 2050. There are, however, substantial obstacles to their wider and efficient deployment preventing the massive scale up needed to achieve those objectives. Similar obstacles could arise for other offshore technologies in the future. These obstacles include investment risks associated with the unique topographical situation of offshore hybrid projects connected to more than one market. In order to reduce investment risk *for these offshore* project developers *and to ensure that the projects in an offshore bidding zone have full market* access to *the surrounding* markets, *transmission system operators should guarantee access of the offshore project to the capacity of the respective hybrid interconnector for all market time units. If the available transmission capacities are reduced to the extent that the full amount of electricity generation that the offshore project would have otherwise been able to export cannot be delivered to the market, the transmission system operator or operators responsible for the need to limit the capacity should, in future, be enabled to compensate the offshore project operator commensurately using congestion income. This compensation should only be related to the production capability available to*

Amendment

(23) Offshore renewable energy sources, such as offshore wind, ocean energy and floating photovoltaic, will play an instrumental role in building a power system largely based on renewables and in ensuring climate neutrality by 2050. There are, however, substantial obstacles to their wider and efficient deployment preventing the massive scale up needed to achieve those objectives. Similar obstacles could arise for other offshore technologies in the future. These obstacles include investment risks associated with the unique topographical situation of offshore hybrid projects connected to more than one market. In order to reduce investment risk *of those* project developers *support schemes could be designed to introduce compensations when these projects have reduced* access to *interconnected* markets *due to grid* congestion.

the market, which may be weather dependent and excludes the outage and maintenance operations of the offshore project. The details, including the conditions under which the measure may expire, are intended to be defined in an implementing Regulation.

Or. en

Amendment 15

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25 a) The reform of the electricity market design should protect all consumers, households, small and medium-sized enterprises and industry from high-price shocks. However, the possibility to finance support measures from State budget differ between Member States. If only some Member States with sufficient resources can protect customers, this would lead to severe distortions in the internal market. A commitment to a joint Union-wide cap on market revenues from inframarginal generators should enable avoidance of such distortions. An obligation to pass on the surplus revenues to consumers would allow all Member States to protect their consumers. The positive effect on energy prices would have a positive impact on the interconnected Union energy market. Therefore, on the basis of the lessons learned, it is appropriate to allow the possibility of applying a temporary cap on producers' market revenues from electricity generation in order to mitigate the direct economic effects of high energy prices for public authorities' budgets, final customers and companies in case of an electricity price crisis. However, the Commission should also assess options

for the introduction of a temporary relief valve mechanism, such as reliability options, in view of the experience with these mechanisms at international level and of the evolution and new developments in the Union electricity market.

Or. en

Amendment 16

Proposal for a regulation Recital 25 b (new)

Text proposed by the Commission

Amendment

(25 b) While applying the revenue cap at the time when transactions are settled may be more efficient, it might not always be possible, for instance due to differences in the way wholesale electricity markets are organised in the Member States and across different timeframes. To account for national specificities and to facilitate the application of the cap on revenues at national level, during an electricity price crisis Member States should have the discretion to decide whether to apply it either when the settlement of the exchange of electricity takes place or thereafter.

Or. en

Amendment 17

Proposal for a regulation Recital 27

Text proposed by the Commission

Amendment

(27) In this framework, Member States should strive to create the right market conditions for long-term market-based

(27) In this framework, Member States should strive to create the right market conditions for long-term market-based

instruments, such as power purchase agreements ('PPAs'). PPAs are bilateral purchase agreements between producers and buyers of electricity. They provide long-term price stability for the customer and the necessary certainty for the producer to take the investment decision. Nevertheless, only a handful of Member States have active PPA markets and buyers are typically limited to large companies, not least because PPAs face a set of barriers, in particular the difficulty to cover the risk of payment default from the buyer in these long-term agreements. Member States should take into consideration the need to create a dynamic PPA market when setting the policies to achieve the energy **decarbonisation objectives** set out in their integrated national energy and climate plans.

instruments, such as power purchase agreements ('PPAs'). PPAs are bilateral purchase agreements between producers and buyers of electricity. They provide long-term price stability for the customer and the necessary certainty for the producer to take the investment decision. Nevertheless, only a handful of Member States have active PPA markets and buyers are typically limited to large companies, not least because PPAs face a set of barriers, in particular the difficulty to cover the risk of payment default from the buyer in these long-term agreements. Member States should take into consideration the need to create a dynamic PPA market when setting the policies to achieve the **renewable energy targets** set out in their integrated national energy and climate plans.

Or. en

Amendment 18

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) According to Article 15(8) of Directive (EU) 2018/2001 of the European Parliament and of the Council, Member States are to assess the regulatory and administrative barriers to long-term renewables PPAs, and shall remove unjustified barriers to, and promote the uptake of, such agreements. In addition, Member States are to describe policies and measures facilitating the uptake of renewables PPAs in their integrated national energy and climate plans. Without prejudice to that obligation to report on the regulatory context affecting the PPA market, Member States should ensure that instruments to reduce the financial risks associated to the buyer defaulting on its

Amendment

(28) According to Article 15(8) of Directive (EU) 2018/2001 of the European Parliament and of the Council, Member States are to assess the regulatory and administrative barriers to long-term renewables PPAs, and shall remove unjustified barriers to, and promote the uptake of, such agreements. In addition, Member States are to describe policies and measures facilitating the uptake of renewables PPAs in their integrated national energy and climate plans. Without prejudice to that obligation to report on the regulatory context affecting the PPA market, Member States should ensure that instruments to reduce the financial risks associated to the buyer defaulting on its

long-term payment obligations in the framework of PPAs are accessible to companies that face entry barriers to the PPA market and are not in financial difficulty in line with Articles 107 and 108 TFEU. Member States could decide to set up a guarantee scheme at market prices. Member States should include provisions to avoid lowering the liquidity in the electricity markets, such as by using financial PPAs. Member States should not provide support to PPAs that purchase generation from *fossil fuels*. While the default approach should be non-discrimination between consumers, Member States could decide to target these instruments to specific categories of consumers, applying objective and non-discriminatory criteria. In this framework, Member States should take into account the potential role of instruments provided at Union level, for instance by the European Investment Bank ('EIB').

long-term payment obligations in the framework of PPAs are accessible to companies that face entry barriers to the PPA market and are not in financial difficulty in line with Articles 107 and 108 TFEU. Member States could decide to set up a guarantee scheme at market prices. Member States should include provisions to avoid lowering the liquidity in the electricity markets, such as by using financial PPAs. Member States should not provide support to PPAs that purchase generation from *non-renewable sources*. While the default approach should be non-discrimination between consumers, Member States could decide to target these instruments to specific categories of consumers, applying objective and non-discriminatory criteria. In this framework, ***and in light of the increased Union renewable energy target and the urgent need to significantly accelerate the current pace of deployment of renewables in order to reach the 42.5% renewable energy share and endeavour to reach 45%***, Member States should take into account the potential role of instruments provided at Union level, for instance by the European Investment Bank ('EIB') ***which should contribute to securing the financing of investments in renewables and, thus, to speeding up the phase-out of EU's dependence by boosting the renewable PPAs market, facilitating the deployment of affordable, secure and sustainable energy in the Union.***

Or. en

Amendment 19

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) Member States have at their

Amendment

(29) Member States have at their

disposal several instruments to support the development of PPA markets when designing and allocating public support. Allowing renewable energy project developers participating in a public support tender to reserve a share of the generation for sale through a PPA **would** contribute to nurture and grow PPA markets. In addition, as part of these tender evaluation Member States should endeavour to apply criteria to incentivise the access to the PPA market for actors that face entry barriers, such as small and medium-sized enterprises ('SMEs'), **giving preference to bidders presenting a commitment to sign a PPA for part of the project's generation from one or several potential buyers that face difficulties to access the PPA market.**

disposal several instruments to support the development of PPA markets when designing and allocating public support. Allowing renewable energy project developers participating in a public support tender to reserve a share of the generation for sale through a PPA **could** contribute to nurture and grow PPA markets. In addition, as part of these tender evaluation Member States should endeavour to apply criteria to incentivise the access to the PPA market for actors that face entry barriers, such as small and medium-sized enterprises ('SMEs'). **To facilitate the access to and uptake of PPAs, voluntary standardised contracts designed to match the risk profile of different size customers should be developed.**

Or. en

Amendment 20

Proposal for a regulation Recital 29 a (new)

Text proposed by the Commission

Amendment

(29 a) To gain a better knowledge of the evolution of a growing market such as the PPA market new tools are needed. Therefore, a database at Union and national level should be set up to facilitate the collection of relevant information on the PPAs signed in the Union. That database should function as an interoperable and digital platform at Union level, based on the data reported through national platforms developed for that purpose. The contract parties of a PPA should report relevant information on the PPA to the national regulatory authorities in digital format through the national platforms, which would act as a single entry point for the information.

Or. en

Amendment 21

Proposal for a regulation Recital 30

Text proposed by the Commission

(30) Where Member States decide to support publicly financed new investments (“direct price support schemes”) in **low carbon**, non-fossil fuel electricity generation to achieve the Union’s decarbonisation objectives, those schemes should be structured by way of two-way contracts for difference such as to include, in addition to a revenue guarantee, an upward limitation of the market revenues of the generation assets concerned. New investments for the generation of electricity should 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.

Amendment

(30) Where Member States decide to support publicly financed new investments (“direct price support schemes”) in non-fossil fuel electricity generation to achieve the Union’s decarbonisation objectives, those schemes should be structured by way of two-way contracts for difference such as to include, in addition to a revenue guarantee, an upward limitation of the market revenues of the generation assets concerned. New investments for the generation of electricity should include investments in new power generating facilities, investments aimed at repowering existing power generating facilities, investments aimed at **increasing the capacity of** existing power generating facilities or at prolonging their lifetime. ***However, in the case of investments aimed at increasing the capacity of existing power generation facilities or at prolonging their lifetime, strict limits should be introduced in the design of the contracts for differences to ensure that there is correspondence and proportionality between the new investments made and the revenue guarantees. Therefore, in those specific cases, contracts for differences should be limited to the share of the total power-generation capacity that reflects the costs of the new investments in relation to the total investments costs of the power-generating facilities.***

Or. en

Amendment 22

Proposal for a regulation Recital 32

Text proposed by the Commission

(32) However, to the extent that the limitation to set out direct price support schemes in the form of two-way contracts for difference narrows down the types of direct price support schemes that Member States can adopt as regards renewable energy sources, it should be limited to **low carbon**, non-fossil fuel technologies, with low and stable operational costs and to technologies which typically do not provide flexibility to the electricity system, while excluding technologies that are at early stages of their market deployment. This is necessary to ensure that the economic viability of generation technologies with high marginal costs is not jeopardised and to maintain the incentives of the technologies which can offer flexibility to the electricity system to bid in the electricity market based on their opportunity costs. In addition, the limitation to set out direct price support schemes in the form of two-way contracts for difference should not apply to emerging technologies for which other types of direct price support schemes may be better placed to incentivise their uptake. The limitation should be without prejudice to the possible exemption for small-scale installations and demonstration projects pursuant to Article 4 (3) of (EU) 2018/2001 of the European Parliament and of the Council and consider the specificities of renewable energy communities in accordance with Article 22 (7) of that Directive.

Amendment

(32) However, to the extent that the limitation to set out direct price support schemes in the form of two-way contracts for difference narrows down the types of direct price support schemes that Member States can adopt as regards renewable energy sources, it should be limited to non-fossil fuel technologies, with low and stable operational costs and to technologies which typically do not provide flexibility to the electricity system, while excluding technologies that are at early stages of their market deployment **and small-scale installations**. This is necessary to ensure that the economic viability of generation technologies with high marginal costs is not jeopardised and to maintain the incentives of the technologies which can offer flexibility to the electricity system to bid in the electricity market based on their opportunity costs. In addition, the limitation to set out direct price support schemes in the form of two-way contracts for difference should not apply to emerging technologies for which other types of direct price support schemes may be better placed to incentivise their uptake. The limitation should be without prejudice to the possible exemption for small-scale installations and demonstration projects pursuant to Article 4 (3) of (EU) 2018/2001 of the European Parliament and of the Council and consider the specificities of renewable energy communities in accordance with Article 22 (7) of that Directive.

Or. en

Amendment 23

Proposal for a regulation Recital 33

Text proposed by the Commission

(33) In view of the need to provide regulatory certainty of producers, the obligation for Member States to apply direct price support schemes for the production of electricity in the form of two-way contracts for difference should apply only to new investments for the generation of electricity from the sources specified in the recital above.

Amendment

(33) In view of the need to provide regulatory certainty of producers, the obligation for Member States to apply direct price support schemes for the production of electricity in the form of two-way contracts for difference should apply only to new investments for the generation of electricity from the sources specified in the recital above. ***However, where they so decide, Member States may also establish voluntary two-way contracts for differences for existing renewable power-generating facilities.***

Or. en

Amendment 24

Proposal for a regulation Recital 34

Text proposed by the Commission

(34) Thanks to the upward limitation of the market revenues direct price support schemes in the form of two-way contracts for difference should provide an additional source of revenues for Member States in periods of high energy prices. To further mitigate the impact of high electricity prices on the energy bills of consumers, Member States should ensure that the revenues collected from producers subject to direct price support schemes in the form of two-way contracts for difference are passed on to ***all*** final electricity customers, including households, SMEs and industrial consumers, ***based on their consumption***. The redistribution of revenues should be done in a way that ensures that consumers

Amendment

(34) Thanks to the upward limitation of the market revenues direct price support schemes in the form of two-way contracts for difference should provide an additional source of revenues for Member States in periods of high energy prices. To further mitigate the impact of high electricity prices on the energy bills of consumers, Member States should ensure that the revenues collected from producers subject to direct price support schemes in the form of two-way contracts for difference are passed on to ***the*** final electricity customers, including households, SMEs and industrial consumers, ***prioritising vulnerable customers and those affected by or at risk of energy poverty, as well as investments***

are still to some extent exposed to the price signal, so that they reduce their consumption when the prices are high, or shift it to periods of lower prices (which are typically periods with a higher share of RES production). Member States should ensure that the level playing-field and competition between the different suppliers is not affected by the redistribution of revenues to the final electricity consumers.

in increasing energy efficiency. The redistribution of revenues should be done in a way that ensures that consumers are still to some extent exposed to the price signal, so that they reduce their consumption when the prices are high, or shift it to periods of lower prices (which are typically periods with a higher share of RES production). Member States should ensure that the level playing-field and competition between the different suppliers is not affected by the redistribution of revenues to the final electricity consumers. *The two-way contracts for difference should also take into account in their design locational criteria to ensure that new investments in generation take place in optimal locations that do not create or worsen congestion in the grid, should ensure transparency in the conditions, including prices, of the support scheme, should be organised and announced sufficiently in advance and include penalty clauses in case of early termination of the contract by the producer, while complying with the principles set out in Article 4(2) and 4(3), first and third subparagraphs, of Directive (EU) 2018/2001;*

Or. en

Amendment 25

Proposal for a regulation

Recital 37

Text proposed by the Commission

(37) The accelerated deployment of renewables necessitates a growing availability of flexibility solutions to ensure their integration to the grid and to enable the electricity system and grid to adjust to the variability of electricity generation and consumption across different time horizons. Regulatory

Amendment

(37) The accelerated deployment of renewables necessitates a growing availability of flexibility solutions to ensure their integration to the grid and to enable the electricity system and grid to adjust to the variability of electricity generation and consumption across different time horizons. Regulatory

authorities should periodically assess the need for flexibility in the electricity system based on the input of transmission and distribution system operators. The assessment of the flexibility needs of the electricity system should take into account all existing and planned investments (including existing assets that are not yet connected to the grid) on sources of flexibility such as flexible electricity generation, interconnectors, demand *side* response, energy storage or the production of renewable fuels, in view of the need to decarbonise the energy system. ***On this basis, Member States should define a national objective for non-fossil flexibility such as demand side response and storage which should also be reflected in their integrated national energy and climate plans.***

authorities should periodically assess the need for flexibility in the electricity system based on the input of transmission and distribution system operators, ***as well as ACER, which should periodically assess and draw up a report on flexibility needs at Union level.*** The assessment of the flexibility needs of the electricity system should take into account all existing and planned investments (including existing assets that are not yet connected to the grid) on sources of flexibility such as flexible electricity generation, interconnectors, demand response, energy storage or the production of renewable fuels, in view of the need to decarbonise the energy system.

Or. en

Amendment 26

Proposal for a regulation Recital 37 a (new)

Text proposed by the Commission

Amendment

(37 a) The most needed deployment of variable renewable energy generation will only reach its full potential with the deployment of additional energy storage. The future energy system will need more flexibility, stability and reliability to achieve the objectives of the European Green Deal and the Climate Law. Energy storage can play a crucial role in the current and future energy system. It can help decarbonise the economy and increase the efficiency and security of energy supply by providing flexibility, stability and reliability. Energy storage can also lower electricity prices during peak times, reduce price fluctuations and empower consumers to adapt their energy

consumption to prices and their needs. Member States should define separate national quantifiable objectives for demand response and energy storage which should be reflected in their integrated national energy and climate plans. In the light of those plans, the Commission should assess the coherence between the Member States' national targets and the needs of the Union electricity system and propose, where appropriate, measures at EU level to boost demand response and energy storage.

Or. en

Amendment 27

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) To achieve the national objective for non-fossil flexibility such as demand *side* response and storage investment needs, Member States can design or redesign capacity mechanisms in order to create a green and flexible capacity mechanism. Member States that apply a capacity mechanism in line with the existing rules should *promote* the participation of non-fossil flexibility such as demand *side* response and storage by introducing additional criteria or features in the design.

Amendment

(38) To achieve the national objective for non-fossil flexibility such as demand response and storage investment needs, Member States can design or redesign capacity mechanisms in order to create a green and flexible capacity mechanism. Member States that apply a capacity mechanism in line with the existing rules should *consider promoting* the participation of non-fossil flexibility such as demand response and *energy* storage by introducing additional criteria or features in the design.

Or. en

Amendment 28

Proposal for a regulation Recital 40

Text proposed by the Commission

(40) In addition, if Member States do not apply a capacity mechanism or if the additional criteria or features in the design of their capacity mechanism are insufficient to achieve national objective for demand response and storage investment needs they could apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand *side* response and storage.

Amendment

(40) In addition, if Member States do not apply a capacity mechanism or if the additional criteria or features in the design of their capacity mechanism are insufficient to achieve national objective for demand response and **energy** storage investment needs they could apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand response and storage.

Or. en

Amendment 29

Proposal for a regulation
Recital 40 a (new)

Text proposed by the Commission

Amendment

(40 a) 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 be considered as a possible structural element of national markets where this is determined following a resource adequacy assessment.

Or. en

Amendment 30

Proposal for a regulation Recital 42

Text proposed by the Commission

(42) Furthermore, to tackle the problem of lengthy reply times on requests for connection to the grid, transmission and distribution system operators should provide clear and transparent information to system users about the status and treatment of their connection requests. Transmission and distribution system operators should endeavour to provide such information within a period of three months from the submission of the request.

Amendment

(42) Furthermore, to tackle the problem of lengthy reply times on requests for connection to the grid, transmission and distribution system operators should provide clear and transparent information to system users about the status and treatment of their connection requests. Transmission and distribution system operators should endeavour to provide such information within a period of three months from the submission of the request. ***Transmission and distribution system operators should also cooperate with each other to provide clear and transparent information on the level of self-consumption capacity installed.***

Or. en

Amendment 31

Proposal for a regulation Recital 43

Text proposed by the Commission

(43) During the energy crisis, consumers have been exposed to extremely volatile wholesale energy prices and had limited opportunities to engage in the energy market. Consequently, many households, have been facing difficulties when paying their bills. Vulnerable consumers and the energy poor are the hardest hit²⁸, but middle-income households have also been exposed to such difficulties. It is therefore important to update consumer rights and protections, allowing consumers to benefit from the energy transition, decouple their electricity bills from short term price

Amendment

(43) During the energy crisis, consumers have been exposed to extremely volatile wholesale energy prices and had limited opportunities to engage in the energy market. Consequently, many households, have been facing difficulties when paying their bills. Vulnerable consumers and the energy poor are the hardest hit²⁸, but middle-income households have also been exposed to such difficulties. ***High energy prices also have a negative impact on consumers' health, well-being, social inclusion and quality of life. High energy prices discourage people from adequately***

movements on energy markets and rebalance the risk between suppliers and consumers.

heating or cooling their homes, and living in such conditions increases health risks, such as those linked to cardiac and respiratory problems. It is therefore important to update consumer rights and protections, allowing consumers to benefit from the energy transition, decouple their electricity bills from short term price movements on energy markets and rebalance the risk between suppliers and consumers.

²⁸ Particular groups are more at risk of being affected by energy poverty or more susceptible to the adverse impacts of energy poverty, such as women, persons with disabilities, older persons, children, and persons with a minority racial or ethnic background.

²⁸ Particular groups are more at risk of being affected by energy poverty or more susceptible to the adverse impacts of energy poverty, such as women, persons with disabilities, older persons, children, and persons with a minority racial or ethnic background.

Or. en

Amendment 32

Proposal for a regulation Recital 44

Text proposed by the Commission

(44) Consumers should have access to a wide range of offers so that they can choose a contract according to their needs. However, suppliers have reduced their offers, fixed-price contracts have become scarce, and the choice of offers has become limited. Consumers should always have the possibility to opt for an affordable fixed price and fixed term contract and suppliers should not unilaterally modify the terms and conditions before such contract expires.

Amendment

(44) Consumers should have access to a wide range of offers so that they can choose a contract according to their needs. However, suppliers have reduced their offers, fixed-price contracts have become scarce, and the choice of offers has become limited. Consumers should always have the possibility to opt for an affordable fixed price and fixed term contract and suppliers should not unilaterally modify the terms and conditions ***of a contract or terminate it*** before such contract expires.

Or. en

Amendment 33

Proposal for a regulation Recital 45

Text proposed by the Commission

(45) When suppliers' do not ensure that their electricity portfolio is sufficiently hedged changes in wholesale electricity prices can leave them financially at risk and, result in their failure, passing on costs to consumers and other network users. Hence, it should be ensured that suppliers are appropriately hedged when offering fixed price contracts. An appropriate hedging strategy should take into account the suppliers' access to its own generation and its capitalisation as well as its exposure to changes in wholesale market prices.

Amendment

(45) When suppliers' do not ensure that their electricity portfolio is sufficiently hedged changes in wholesale electricity prices can leave them financially at risk and, result in their failure, passing on costs to consumers and other network users. Hence, it should be ensured that suppliers are appropriately hedged when offering fixed price contracts. An appropriate hedging strategy should take into account the suppliers' access to its own generation and its capitalisation as well as its exposure to changes in wholesale market prices, **but also the size of the supplier or its market structure.**

Or. en

Amendment 34

Proposal for a regulation Recital 46

Text proposed by the Commission

(46) Consumers should be able to choose the supplier which offers them the price and service which best suits their needs. Advances in metering and sub-metering technology combined with information and communication technology mean that it is now technically possible to have multiple suppliers for a single premises. If they so wish, customers should be able to use these possibilities to choose a separate supplier notably for electricity to power appliances such as heat pumps or electric vehicles which have a particularly high consumption or which also have the capability to shift their

Amendment

(46) Consumers should be able to choose the supplier which offers them the price and service which best suits their needs. Advances in metering and sub-metering technology combined with information and communication technology mean that it is now technically possible to have multiple suppliers for a single premises. If they so wish, customers should be able to use these possibilities to choose a separate supplier notably for electricity to power appliances such as heat pumps or electric vehicles which have a particularly high consumption or which also have the capability to shift their

electricity consumption automatically in response to price signals. Moreover, with fast-responding dedicated *metering* devices which are attached to or embedded in appliances with flexible, controllable loads, final customers can participate in other incentive-based demand response schemes that provide flexibility services on the electricity market and to transmission and distribution system operators. Overall, such arrangements should contribute to the increased uptake of demand response and to consumer empowerment allowing them to have more control over their energy use and bills, while providing to the electricity system additional flexibility in order to cope with demand and supply fluctuations.

electricity consumption automatically in response to price signals. *For this purpose, customers should be allowed to have more than one metering and billing point covered by the single connection point for their premises. The rules for the allocation of the associated costs should be determined at national level. Some smart metering systems may directly cover more than one metering point and therefore enable customers to have more than one electricity supply contract at the same time.* Moreover, with fast-responding dedicated *measurement* devices which are attached to or embedded in appliances with flexible, controllable loads, final customers can participate in other incentive-based demand response schemes that provide flexibility services on the electricity market and to transmission and distribution system operators. Overall, such arrangements should contribute to the increased uptake of demand response and to consumer empowerment allowing them to have more control over their energy use and bills, while providing to the electricity system additional flexibility in order to cope with demand and supply fluctuations.

Or. en

Amendment 35

Proposal for a regulation Recital 48

Text proposed by the Commission

(48) To ensure continuity of supply for consumers in case of supplier failure, Member States should be obliged to appoint suppliers of last resort which may be treated as the provider of universal service. That supplier might be the sales division of a vertically integrated undertaking which also performs distribution functions, provided that it

Amendment

(48) To ensure continuity of supply for consumers in case of supplier failure, Member States *without supplier of last resort* should be obliged to appoint suppliers of last resort which may be treated as the provider of universal service. That supplier might be the sales division of a vertically integrated undertaking which also performs distribution functions,

meets the unbundling requirements of Article 35 of Directive (EU) 2019/944 of the European Parliament and of the Council. However, this does not imply an obligation of Member States to supply at a certain fixed minimum price.

provided that it meets the unbundling requirements of Article 35 of Directive (EU) 2019/944 of the European Parliament and of the Council. However, this does not imply an obligation of Member States to supply at a certain fixed minimum price.

Or. en

Amendment 36

Proposal for a regulation Recital 50

Text proposed by the Commission

(50) Active customers that own, lease or rent a storage or generation facility should have the right to share excess production and empower other consumers to become active, or to share the renewable energy generated or stored by jointly leased, rented or owned facilities, either directly or through a third-party facilitator. Energy sharing *arrangement* are either based on private contractual agreement between active customers or organised through a legal entity. A legal entity that incorporates the criteria of a renewable energy community as defined in Directive (EU) 2018/2001 of the European Parliament and of the Council or a citizen energy community as defined in Directive (EU) 2019/944 of the European Parliament and of the Council can share with their members electricity generated from facilities they have in full ownership. The protection and empowerment framework for energy sharing should pay particular attention to energy poor and vulnerable consumers.

Amendment

(50) Active customers that own, lease or rent a storage or generation facility should have the right to share excess production and empower other consumers to become active, or to share the renewable energy generated or stored by jointly leased, rented or owned facilities, either directly or through a third-party facilitator ***as long as the renewable energy generation facility owned by the third party does not exceed 100 kW***. Energy sharing *arrangements* are either based on private contractual agreement between active customers or organised through a legal entity. A legal entity that incorporates the criteria of a renewable energy community as defined in Directive (EU) 2018/2001 of the European Parliament and of the Council or a citizen energy community as defined in Directive (EU) 2019/944 of the European Parliament and of the Council can share with their members electricity generated from facilities they have in full ownership. The protection and empowerment framework for energy sharing should pay particular attention to energy poor and vulnerable consumers.

Or. en

Amendment 37

Proposal for a regulation Recital 51

Text proposed by the Commission

(51) Energy sharing operationalises the collective consumption of self-generated or stored electricity injected into the grid by more than one jointly acting active customers. Member States should put in place the appropriate IT infrastructure to allow for the administrative matching within a certain timeframe of consumption with self-generated or stored renewable energy for the purpose of calculating the energy component of the energy bill. The output of these facilities should be distributed among the aggregated consumer load profiles based on static, variable or dynamic calculation methods that can be pre-defined or agreed upon by the active customers.

Amendment

(51) Energy sharing operationalises the collective consumption of self-generated or stored electricity injected into the grid by more than one jointly acting active customers. Member States should put in place the appropriate IT infrastructure to allow for the administrative matching within a certain timeframe of consumption with self-generated or stored renewable energy for the purpose of calculating the energy component of the energy bill. The output of these facilities should be distributed among the aggregated consumer load profiles based on static, variable or dynamic calculation methods that can be pre-defined or agreed upon by the active customers. ***Active customers participating in energy sharing should be financially responsible for the imbalances they may cause in the electricity system, either directly or through a delegated party in accordance with Article 5 of Regulation (EU) 2019/943. All consumer rights and obligations in this Directive will apply to final customers participating in energy sharing schemes. However, households with an installed capacity up to 10.8 kW for single households and up to 50 kW for multi-apartment blocks should not be required to comply with the obligations of suppliers.***

Or. en

Amendment 38

Proposal for a regulation Recital 52

Text proposed by the Commission

(52) Vulnerable customers should be adequately protected from electricity disconnections and should, as well, not be put in a position that forces them to disconnect. The role of suppliers and all relevant national authorities to identify appropriate measures, in both the short and the long-term, which should be made available to vulnerable customers to manage their energy use and costs remain essential, including by means of close cooperation with social security systems.

Amendment

(52) Vulnerable customers should be adequately protected from electricity disconnections and should, as well, not be put in a position that forces them to disconnect. ***Therefore, Member States should prohibit electricity disconnections of vulnerable customers and customers affected by or at risk of energy poverty and ensure that household customers receive electricity supply to cover their basic needs. Member States should also complement these rights with the adoption of specific measures for the winter season and the summer season (in warmer climates), for household customers to help manage their consumption and avoid high settlement bills.*** The role of suppliers and all relevant national authorities to identify appropriate measures, in both the short and the long-term, which should be made available to vulnerable customers to manage their energy use and costs remain essential, including by means of close cooperation with social security systems.

Or. en

Amendment 39

**Proposal for a regulation
Recital 53**

Text proposed by the Commission

(53) Public interventions in price setting for the supply of electricity constitute, in principle, a market-distortive measure. Such interventions may therefore only be carried out as public service obligations and are subject to specific conditions. Under this Directive regulated prices are possible for energy poor and vulnerable households, including below costs, and, as a transition measure, for households and

Amendment

(53) Public interventions in price setting for the supply of electricity constitute, in principle, a market-distortive measure. Such interventions may therefore only be carried out as public service obligations and are subject to specific conditions. Under this Directive regulated prices are possible for energy poor and vulnerable households, including below costs, and, as a transition measure, for households and

micro-enterprises. In times of crisis, when wholesale and retail electricity prices increase significantly, ***and this is having a negative impact on the wider economy***, Member States should be allowed to extend, temporarily, the application of regulated prices also to SMEs. For both households and SMEs, Member States should be temporarily allowed to set regulated prices below costs as long as this does not create distortion between suppliers and suppliers are compensated for the costs of supplying below cost. However, it needs to be ensured that such price regulation is targeted and does not create incentives to increase consumption. Hence, such price regulation should be limited to 80% of median household consumption for households, and 70% of the previous year's consumption for SMEs. The Commission should determine when such an electricity price crisis exists and consequently when this possibility becomes applicable. The Commission should also specify the validity of that determination, during which the temporary extension of regulated prices applies, which may be for up to one year. To the extent that any of the measures envisaged by the present Regulation constitute State aid, the provisions concerning such measures are without prejudice to the application of Articles 107 and 108 TFEU.

micro-enterprises. In times of crisis, when wholesale and retail electricity prices increase significantly, Member States should be allowed to extend, temporarily, the application of regulated prices also to SMEs. For both households and SMEs, Member States should be temporarily allowed ***to lower the electricity price and*** to set regulated prices below costs as long as this does not create distortion between suppliers and suppliers are compensated for the costs of supplying below cost. However, it needs to be ensured that such price regulation is targeted and does not create incentives to increase consumption. Hence, such price regulation should be limited to 80% of median household consumption for households, ***100% for vulnerable customers*** and 70% of the previous year's consumption for SMEs. The Commission should determine when such an electricity price crisis exists and consequently when this possibility becomes applicable. The Commission should also specify the validity of that determination, during which the temporary extension of regulated prices applies, which may be for up to one year. To the extent that any of the measures envisaged by the present Regulation constitute State aid, the provisions concerning such measures are without prejudice to the application of Articles 107 and 108 TFEU. ***In any case, the declaration of such regional or Union-wide electricity price crisis should ensure a level playing field across all Member States affected by the decision so that the internal market is not unduly distorted.***

Or. en

Amendment 40

Proposal for a regulation

Article 1 – paragraph 1 – point 1 – point a

Text proposed by the Commission

(b) set fundamental principles for well-functioning, integrated electricity markets, which allow all resource providers and electricity customers non-discriminatory market access, enable the development of forward electricity markets to allow suppliers and consumers to hedge or protect themselves against the risk of future volatility in electricity prices, **empower** consumers, ensure competitiveness on the global market, enhance flexibility through demand response, energy storage and other non-fossil flexibility solutions, ensure energy efficiency, facilitate aggregation of distributed demand and supply, and enable market and sectoral integration and market-based remuneration of electricity generated from renewable sources;

Amendment

(b) set fundamental principles for well-functioning, integrated electricity markets, which allow all resource providers and electricity customers non-discriminatory market access, enable the development of forward electricity markets to allow suppliers and consumers to hedge or protect themselves against the risk of future **high** volatility in electricity prices, **ensure the empowerment of** consumers, ensure competitiveness on the global market, enhance **security of supply and** flexibility through demand response, energy storage, **sharing energy** and other non-fossil flexibility solutions, ensure energy efficiency, facilitate aggregation of distributed demand and supply, and enable market and sectoral integration and market-based remuneration of electricity generated from renewable sources;

Or. en

Amendment 41

Proposal for a regulation

Article 1 – paragraph 1 – point 1 – point b

Regulation (EU) 2019/943

Article 1 – point e

Text proposed by the Commission

(e) support long-term investments in renewable energy generation and enable consumers' to make their energy bills less dependent from fluctuations of short-term electricity market prices, in particular fossil fuel prices in the medium to long-term.

Amendment

(e) support long-term investments in renewable energy generation, **flexibility, including energy storage**, and enable consumers' to make their energy bills less dependent from fluctuations of short-term electricity market prices, in particular fossil fuel prices in the medium to long-term.

Or. en

Amendment 42

Proposal for a regulation

Article 1 – paragraph 1 – point 1 – point b

Regulation (EU) 2019/943

Article 1 – point ea

Text proposed by the Commission

Amendment

(e a) ea) facilitate the adoption of measures to apply temporarily emergency interventions to address electricity price crisis, subject to specific conditions.

Or. en

Justification

To reflect the new measures to address the energy crisis periods

Amendment 43

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 72

Text proposed by the Commission

Amendment

(72) ‘peak hour’ means ***an hour with*** the highest electricity consumption combined with a low level of electricity generated from renewable energy sources, taking cross-zonal exchanges into account;

(72) ‘peak hour’ means ***individual hour of the day, based on the forecasts of transmission system operators and, where applicable, nominated electricity market operators, with the highest prices or*** the highest electricity consumption combined with a low level of electricity generated from renewable energy sources ***as referred to in Article 2(1) of Directive (EU) 2018/2001***, taking cross-zonal exchanges into account;

Or. en

Amendment 44

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 73

Text proposed by the Commission

(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption at peak hours determined by the transmission system operator;

Amendment

(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption ***from the grid or reduce electricity prices*** at peak hours determined by the transmission ***or distribution*** system operator;

Or. en

Amendment 45

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 74

Text proposed by the Commission

(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to the transmission system operators;

Amendment

(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to the transmission ***or distribution*** system operators;

Or. en

Amendment 46

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 76

Text proposed by the Commission

(76) ‘two-way contract for difference’

Amendment

(76) ‘two-way contract for difference’

means a contract signed between a power generating facility operator and a counterpart, usually a public entity, that provides both minimum remuneration **protection** and a limit to excess remuneration; the contract is designed to preserve incentives for the generating facility to operate and participate efficiently in the electricity markets and complies with the principles set out in Article 4(2) and Article 4(3), first and third subparagraphs, of Directive (EU) 2018/2001;

means a contract signed between a power generating facility operator and a counterpart, usually a public entity, that provides both minimum remuneration and a limit to excess remuneration; the contract is designed to preserve incentives for the generating facility to operate and participate efficiently in the electricity markets, **in particular to adjust its production to reflect market circumstances**, and complies with the principles set out in Article 4(2) and Article 4(3), first and third subparagraphs, of Directive (EU) 2018/2001;

Or. en

Amendment 47

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 78

Text proposed by the Commission

(78) ‘market revenue’ means realised income an electricity producer receives in exchange for the sale and delivery of electricity in the Union, regardless of the contractual form in which such exchange takes place, and excluding any support granted by Member States;

Amendment

(78) ‘market revenue’ means realised income an electricity producer receives in exchange for the sale and delivery of electricity, **or other services related with the energy system**, in the Union, regardless of the contractual form in which such exchange takes place, **including power purchase agreements and other hedging operations against fluctuations in the wholesale electricity market**, and excluding any support granted by Member States;

Or. en

Amendment 48

Proposal for a regulation

Article 1 – paragraph 1 – point 2

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Regulation (EU) 2019/943
Article 2 – paragraph 1 – point 78a (new)

Text proposed by the Commission

Amendment

(78 a) ‘surplus revenues’ means a positive difference between the market revenues of producers per MWh of electricity and the cap on market revenues of 180 EUR per MWh of electricity provided for in Article 10a(2);

Or. en

Justification

Definition needed for a new article.

Amendment 49

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) 2019/943
Article 2

Text proposed by the Commission

Amendment

(78 b) ‘settlement’ means a payment that is made and received between counterparties, against delivery and receipt of electricity where applicable, in fulfilment of the counterparties’ respective obligations pursuant to one or more clearing transactions;

Or. en

Amendment 50

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) 2019/943
Article 2 – paragraph 1 – point 79

Text proposed by the Commission

(79) ‘dedicated **metering** device’ means a device attached to or embedded in an asset that **sells** demand response or flexibility services on the electricity market or to transmission and distribution system operators;

Amendment

(79) ‘dedicated **measurement** device’ means a device attached to or embedded in an asset that **provides quantification of** demand response or flexibility services on the electricity market or to transmission and distribution system operators;

Or. en

Amendment 51

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 79a

Text proposed by the Commission

Amendment

(79 a) ‘power control system’ means a system which controls the steady state AC currents, or DC currents, to a programmable limit or level.

Or. en

Justification

Definition needed for a new provision related with the flexible connection access to the grid.

Amendment 52

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 79c

Text proposed by the Commission

Amendment

(79 b) ‘flexible connection access tariff’ means a set of predetermined rules and requirements for expeditiously interconnecting electrical capacity to the grid and that includes an agreement to

limit and control the import and export of electricity from and to the distribution network;

Or. en

Amendment 53

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 2019/943

Article 2 – paragraph 1 – point 80

Text proposed by the Commission

(80) ‘flexibility’ means the ability of an electricity system to adjust to the variability *of* generation and consumption patterns and grid availability, across relevant market timeframes.

Amendment

(80) ‘flexibility’ means the ability of an electricity system to adjust to the variability *and uncertainty of electricity* generation and consumption patterns and grid availability, across relevant market timeframes.

Or. en

Amendment 54

Proposal for a regulation

Article 1 – paragraph 1 – point 2 a (new)

Regulation (EU) 2019/943

Article 3 – paragraph 2

Text proposed by the Commission

Amendment

(2 a) Article 3 is amended as follows:

(a) paragraph 2 is replaced by the following:

2. When developing new interconnectors, Member States shall take into account the minimum 15% electricity interconnection targets set out in point (1) of Article 4(d) of Regulation (EU) 2018/1999. In particular, neighbouring Member States shall cooperate and accelerate all procedures to ensure that the electricity

interconnections targets are met.

Or. en

Justification

This amendment reinforces the need of physical integration of energy infrastructure between the Member States as precondition for the proper functioning of EU energy markets and the sharing of electricity across borders.

Amendment 55

Proposal for a regulation

Article 1 – paragraph 1 – point 3 – point a

Regulation (EU) 2019/943

Article 7 – paragraph 1

Text proposed by the Commission

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 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.

Amendment

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, **including transparency obligations and effective supervision against market manipulation under revised [REMIT II]**.

Or. en

Amendment 56

Proposal for a regulation

Article 1 – paragraph 1 – point 3 – point b – point ii a (new)

Regulation (EU) 2019/943

Article 7 – paragraph 2 – point f

Text proposed by the Commission

Amendment

(ii a) point (f) is replaced by the following:

(f) be transparent providing information by units while protecting the confidentiality of commercially sensitive information and ensuring trading occurs in an anonymous manner;

Or. en

Justification

To give more transparency it is proposed that the bidding should be submitted by market participants using generation units.

Amendment 57

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7

Text proposed by the Commission

Amendment

Peak shaving product

Peak shaving product *during an electricity price crisis*

Or. en

Amendment 58

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 1

Text proposed by the Commission

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.

Amendment

1. Without prejudice to Article 40(5) and 40(6) of Directive (EU) 2019/944, transmission *and distribution* system operators may procure peak shaving products in order to achieve a reduction of electricity demand *and price in* peak hours, *without harming the functioning of balancing markets. The procurement of peak shaving products shall be limited to situations where a regional or Union-wide electricity price crisis is declared in accordance with Article 66a of the [revised EMD Directive].*

Or. en

Amendment 59

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 2

Text proposed by the Commission

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 the transmission system operator shall comply with the following requirements:

Amendment

2. Transmission *and distribution* system operators seeking to procure a peak shaving product 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 transmission system operator shall comply with the following requirements:

Or. en

Amendment 60

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Text proposed by the Commission

(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***;

Amendment

(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 ***its impact on the market, its expected costs and benefits and*** 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 limited to ensure that the ***forecasted costs do not exceed the*** expected benefits of the product ***and do not increase the CO2 emissions of the power system***;

Or. en

Amendment 61

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 2 – point b

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 62

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 2 – point c

Text proposed by the Commission

(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;

Amendment

(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, ***and shall allow the effective participation of small consumers, directly or through aggregation;***

Or. en

Amendment 63

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 2 – point d

Text proposed by the Commission

(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;***

Amendment

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

Or. en

Amendment 64

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 3

Text proposed by the Commission

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.

Amendment

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 transmission or distribution system operator decides to procure a peak shaving product in accordance with paragraph 1, it shall develop a baseline methodology in consultation with market participants and submit it to the regulatory authority.***

Or. en

Amendment 65

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph 4

Text proposed by the Commission

4. Regulatory authorities shall approve the proposal of the transmission system operators seeking to procure a peak shaving product and the baseline methodology submitted in accordance with paragraphs 2 and 3 or shall request the transmission system operators to amend the proposal where it does not meet the requirements set out in these paragraphs.

Amendment

4. Regulatory authorities shall, ***in consultation with market participants, and distribution*** system operators seeking to procure a peak shaving product and the baseline methodology submitted in accordance with paragraphs 2 and 3 or shall request the transmission system operators to amend the proposal where it does not meet the requirements set out in these paragraphs. ***ACER may issue an opinion on the proposal of the Member State concerned and may request to amend the proposal if a risk of distortions in the integrated electricity market is identified.***

Or. en

Amendment 66

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7a – paragraph – –1a (new)

Text proposed by the Commission

Amendment

4 a. By June 2024, the Commission, together with ACER and ENTSO for Electricity, shall assess the impacts on the functioning of the electricity market of the introduction of peak shaving products outside electricity price crisis situations. This assessment shall give due consideration to the need for these products not to distort the functioning of the day-ahead, intraday and balancing markets and not to cause a redirection of demand response services towards peak shaving products. The Commission shall, where appropriate, submit a legislative proposal to amend this Regulation and introduce peak shaving products outside electricity price crisis situations.

Or. en

Amendment 67

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7b – title

Text proposed by the Commission

Amendment

Dedicated ***metering*** device

Dedicated ***measurement*** device

Or. en

Amendment 68

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7b – paragraph 1

Text proposed by the Commission

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.

Amendment

1. “Member States shall allow **customers and market participants, with explicit consent, on the owners’ and users’ behalf**, transmission system operators and distribution system operators to **have access and** use data from dedicated **measurement** devices for the observability, settlement and flexibility services **and energy sharing**, including from **demand response and energy** storage systems **in accordance with the applicable Union data protection and privacy rules**.

Or. en

Amendment 69

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2019/943

Article 7b – paragraph 2

Text proposed by the Commission

2. Member States shall establish requirements for a dedicated **metering** device data validation process to check and ensure the quality of the respective data.;

Amendment

2. Member States shall establish **uniform fit-for-purpose** requirements for a dedicated **measurement** device data validation process to check and ensure the quality **and interoperability** of the respective data, **in compliance with the provisions included in article 23 of Directive (EU) 2019/944 and the procedures set out in the network code adopted pursuant to Article 59(1)(e) of Regulation (EU) 2019/943 and taking into account the relevant Union legislation on measurement instruments**.

Justification

The Regulation should require interoperability and compliance with the relevant requirements for dedicated measurement devices.

Amendment 70**Proposal for a regulation****Article 1 – paragraph 1 – point 5 – point a**

Regulation (EU) 2019/943

Article 8 – paragraph 1

Text proposed by the Commission

NEMOs shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time. By 1 January **2028**, the intraday cross-zonal gate closure time shall be at the earliest 30 minutes ahead of real time.

Amendment

NEMOs shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time. By 1 January **2026**, the intraday cross-zonal gate closure time shall be at the earliest 30 minutes ahead of real time, *provided that this measure does not lead to an increase in CO2 emissions. This deadline may be delayed to 1 January 2028 based on an impact assessment submitted by NEMOs and TSOs in accordance with Article 9 of Regulation (EU) 2015/1222, demonstrating the negative impacts of such a measure on the security of the national electricity system, cost efficiency, integration of renewable energy and CO2 emissions.*

Justification

An assessment is needed following articles 9 and 59 of this regulation.

Amendment 71**Proposal for a regulation****Article 1 – paragraph 1 – point 5 – point b**

Text proposed by the Commission

NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 100kW or less, to allow for the effective participation of **demand-side** response, energy storage and small-scale renewables including direct participation by customers.

Amendment

NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 100kW or less, to allow for the effective participation of **demand** response, energy storage and small-scale renewables including direct participation by customers, **including through aggregation**.

Or. en

Amendment 72

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1

Text proposed by the Commission

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:

Amendment

1. By 1 December 2024 the **Commission**, after having consulted **ACER, ENTSO for Electricity and ESMA**, **shall submit to the European Parliament and the Council an assessment on the impacts of the establishment of regional virtual hubs for the forward market on the functioning of the electricity markets. The Commission may accompany this impact assessment by a legislative proposal, where appropriate. The impact assessment shall focus, inter alia, on:**

Or. en

Justification

This amendment introduce the need of an assessment before introduce the regional virtual hubs

Amendment 73

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point –a (new)

Text proposed by the Commission

Amendment

(-a) determining the impacts of a regional virtual hub on at least the forward market, TSOs, market participants and end-consumers;

Or. en

Amendment 74

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point a

Text proposed by the Commission

Amendment

(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 most adequate*** geographical scope of the ***regional*** virtual hubs, 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 ***regional*** virtual hubs;

Or. en

Amendment 75

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point aa (new)

Text proposed by the Commission

Amendment

(a a) giving due consideration to the level of interconnectivity of Member States, in particular of those Member States below the interconnection targets set for 2020 and 2030 in Regulation (UE) 2018/1999;

Or. en

Amendment 76

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point b

Text proposed by the Commission

Amendment

(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;

(b) **evaluating** a methodology for the calculation of the reference prices for the **regional** virtual hubs, 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;

Or. en

Amendment 77

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point c

Text proposed by the Commission

Amendment

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

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

market;

forward market;

Or. en

Amendment 78

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point d

Text proposed by the Commission

(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.

Amendment

(d) **how to** 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.

Or. en

Amendment 79

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 1– point da (new)

Text proposed by the Commission

Amendment

(d a) including an indicative implementation process.

Or. en

Amendment 80

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 2

Text proposed by the Commission

Amendment

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.

deleted

Or. en

Amendment 81

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 3

Text proposed by the Commission

Amendment

3. The single allocation platform established in accordance with Regulation (EU) 2016/1719 shall have a legal form as referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council.

3. The single allocation platform established in accordance with Regulation (EU) 2016/1719 **shall act as an entity offering allocation and facilitating trading of long-term transmission rights on behalf of TSOs.** 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.

Or. en

Amendment 82

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 4 – point a

Text proposed by the Commission

Amendment

(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;

deleted

Or. en

Justification

The paragraph is amended and moved to the end of the list

Amendment 83

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 4 – point ca (new)

Text proposed by the Commission

Amendment

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

Or. en

Amendment 84

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2019/943

Article 9 – paragraph 5

Text proposed by the Commission

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 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.

Amendment

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 **may** 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 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.

Or. en

Amendment 85

Proposal for a regulation

Article 1 – paragraph 1 – point 6 a (new)

Regulation (EU) 2019/943

Article 10a

Text proposed by the Commission

Amendment

(6 a) the following Article 10a is inserted:

" Article 10a Cap on market revenues

1. In case of an electricity price crisis

declared pursuant to paragraph 1 of Article 66a of [Revised EMD Directive], Member States shall apply a temporary cap on market revenues of producers obtained from the generation of electricity for the period of validity of the decision declaring the electricity price crisis as laid down in paragraph 2 of Article 66a of [Revised EMD Directive].

2. Market revenues of producers obtained from the generation of electricity shall be capped to a maximum of 180 EUR per MWh of electricity produced. The cap shall apply to the market revenues obtained from the sale of electricity produced from the following sources:

- (a) wind energy;*
- (b) solar energy (solar thermal and solar photovoltaic);*
- (c) geothermal energy;*
- (d) hydropower;*
- (e) biomass fuel (solid or gaseous biomass fuels), excluding bio-methane;*
- (f) waste;*
- (g) nuclear energy;*
- (h) lignite;*
- (i) crude oil and other oil products;*
- (j) peat.*

3. The cap provided for in paragraph 1 shall not apply to demonstration projects or to producers whose revenues per MWh of electricity produced are already capped as a result of State measures.

4. Member States shall ensure that the cap targets all the market revenues of producers and, where relevant, intermediaries participating in electricity wholesale markets on behalf of producers, regardless of the market timeframe in which the transaction takes place and of whether the electricity is traded bilaterally or in a centralised marketplace. The cap shall not apply to the revenues of

electricity produced by power generation facilities referred to in paragraph 2 that is covered by a forward contract instrument at the time of the entry into force of the declaration of an electricity price crisis.

5. Member States shall put effective measures in place to prevent a circumvention of the obligations on producers pursuant to paragraph 4. They shall in particular make sure that the cap on market revenues is effectively applied in cases where producers are controlled, or partially owned, by other undertakings, in particular where they are part of a vertically integrated undertaking.

6. Member States may decide:

a) whether to apply the cap on revenues at the settlement of the exchange of energy or thereafter;

b) that the cap on market revenues does not apply to the revenues obtained from the sale of electricity in the balancing energy market and from compensation for redispatching and countertrading;

c) set a higher cap on market revenues for producers generating electricity from the sources listed in paragraph 2, provided that their investments and operating costs exceed the maximum set in paragraph 2;

d) that the cap on market revenues does not apply to producers generating electricity with power-generating facilities with an installed capacity of maximum 1 MW where the application of the cap leads to a significant administrative burden;

e) that the cap on market revenues does not apply to electricity produced in hybrid plants which also use conventional energy sources, in particular in cases where the application of the cap on market revenues leads to a risk of increasing CO₂ emissions and decreasing renewable energy generation;

f) that the cap on market revenues only

applies to 90 % of the market revenues exceeding the cap on market revenues.

7. Without prejudice to paragraph 2, Member States may maintain or introduce measures that further limit the market revenues of producers, provided that these measures are proportionate and non-discriminatory, do not jeopardise investment signals, ensure that the investments costs are covered, do not distort the functioning of electricity wholesale markets, and are compatible with Union law.

8. Producers, intermediaries and relevant market participants, as well as system operators where relevant, shall provide to competent authorities of Member States and, where relevant, to the system operators and nominated electricity market operators, all necessary data for the application of the cap referred to in paragraph 1, including on the electricity produced and the related market revenues, regardless of the market timeframe in which the transaction takes place and of whether the electricity is traded bilaterally, within the same undertaking or in a centralised marketplace.

9. Revenues collected from the application of the cap on market revenues referred to in paragraph 1 shall be used to finance the measures adopted by the Member States to address an electricity price crisis declared pursuant to Article 66a of [revised EMD Directive].

10. By June 2026, the Commission shall present a report to the European Parliament and the Council assessing different options for the introduction of a temporary relief valve mechanism in view of the experience with these mechanisms at international level and of the evolution and new developments in the Union electricity market. The Commission shall, where appropriate, accompany this report with a legislative proposal to amend this

Regulation to introduce such a mechanism. "

Or. en

Justification

The cap on market revenues is a measure implemented during the energy crisis. This measure helps to reduce windfall profits of energy generators, while helping to finance measures taken during a price crisis as described in the new article 66a.

Amendment 86

Proposal for a regulation

Article 1 – paragraph 1 – point 7 – point a

Regulation (EU) 2019/943

Article 18 – paragraph 2

Text proposed by the Commission

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;

Amendment

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, ***apply the “energy efficiency first” principle pursuant to Article 3 of [Revised EED Directive]***, in order to increase efficiencies, to foster market integration, ***renewable energy production capacity***, and security of supply, to support the use of flexibility services, ***enable the use of flexible connection arrangements***, efficient ***and timely*** investments including solutions to optimise the existing grid and facilitate ***energy storage***, demand response and related research activities, ***to reduce environmental impact, to promote social acceptance***, and to facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection, ***including the required infrastructure to reach the minimum 15%***

electricity interconnection targets set out in point (1) of Article 4(d) of Regulation (EU) 2018/1999 .

Or. en

Amendment 87

Proposal for a regulation

Article 1 – paragraph 1 – point 7 – point b

Regulation (EU) 2019/943

Article 18 – paragraph 8

Text proposed by the Commission

8. Transmission and distribution tariff methodologies shall provide incentives to transmission and distribution system operators for the most cost-efficient operation and development of their networks including through the procurement of services. For that purpose, regulatory authorities shall recognise relevant costs as eligible, shall include those costs in transmission and distribution tariffs, and shall introduce performance targets in order to provide incentives to transmission and distribution system operators to increase efficiencies in their networks, including through energy efficiency, the use of flexibility services and the development of smart grids and intelligent metering systems.

Amendment

8. Transmission and distribution tariff methodologies shall provide incentives to transmission and distribution system operators for the most cost-efficient operation and development of their networks including through the procurement of services. For that purpose, regulatory authorities shall recognise relevant costs as eligible, ***including the anticipatory investments***, shall include those costs in transmission and distribution tariffs, and shall introduce performance targets in order to provide incentives to transmission and distribution system operators to increase efficiencies in their networks, including through energy efficiency ***by applying the “energy efficiency first principle” pursuant to the Article 3 of [Revised EED Directive]***, , the use of flexibility services and the development of smart grids and intelligent metering systems.

Or. en

Amendment 88

Proposal for a regulation

Article 1 – paragraph 1 – point 7 – point b

Text proposed by the Commission

Amendment

8 a. *Distribution system operators shall offer the possibility of a flexible connection agreement. Such flexible connection agreements shall specify the following:*

i) the maximum firm import and export of electricity to the grid as well as the additional flexible import and export capacity that can be connected, differentiated by time blocks throughout the year,

ii) the network charges applicable to both the firm and flexible import and export capacities,

iii) the probabilities of curtailment if the maximum firm capacity is exceeded. The system user requesting a flexible grid connection shall be requested to install a power control system as certified by a national standards body.

Or. en

Justification

Grid connections are one of the main bottlenecks of the deployment of more renewable energy or storage capacity. Flexible connection agreement allows more capacity to connect to the grid with appropriate power control devices that limit both the import and export of electricity at the connection point, based on the contractual agreement between the customer and the grid operator.

Amendment 89

Proposal for a regulation

Article 1 – paragraph 1 – point 7 – point c

Regulation (EU) 2019/943

Article 18 – paragraph 9 – point f

Text proposed by the Commission

Amendment

(f) methods to ensure transparency in

(f) methods to ensure transparency in

the setting and structure of tariffs,
including anticipatory investments;

the setting and structure of tariffs,
including anticipatory investments
***determined in close consultation with
relevant stakeholders, including transport
and heating and cooling sector, in line
with the relevant European, national and
local energy objectives, and take into
account the acceleration areas set out in
[Directive (EU) 2018/2001] ;***

Or. en

Amendment 90

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2019/943

Article 19 – paragraph 2 – point b

Text proposed by the Commission

(b) ***maintaining or*** increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion; or

Amendment

(b) ***maximising and*** increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion; or

Or. en

Amendment 91

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2019/943

Article 19 – paragraph c

Text proposed by the Commission

(c) ***compensating offshore generation plant operators in an offshore bidding zone if access to interconnected markets has been reduced in such a way that one***

Amendment

deleted

or more transmission system operators have not made enough capacity available on the interconnector or the critical network elements affecting the capacity of the interconnector, resulting in the offshore plant operator not being able to export its electricity generation capability to the market.

Or. en

Justification

Compensation that is not properly designed could cause negative behavior and prevent networks from receiving the necessary funds for reinforcement. To avoid this problem, it is proposed to consider the issue in other parts of this Regulation. For example, in the design of CfDs.

Amendment 92

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19ab (new)

Text proposed by the Commission

Amendment

"Article 19ab

Union PPA database

1. ACER shall set up, maintain, and manage an IT platform to be known as the Union PPA Database (the 'Database'). The 'Database' shall be used to facilitate the collection of relevant information on the power purchase agreements signed in the Union.

2. The 'Database' shall function as an interoperable and digital platform at Union level, based on the data reported through the national electronic platforms established pursuant to paragraph 3. The 'Database' shall enable ACER and the national regulatory authorities to access and share the information provided pursuant to paragraph 4.

3. National regulatory authorities shall develop an electronic platform with a view to facilitating the reporting and sharing of the information provided pursuant to paragraph 4. Those platforms shall be fully operational at Member State level by... [9 months after the date of entry into force of this Regulation].

4. The contract parties of a PPA shall report relevant information on the PPA to the national regulatory authority. The information shall be provided in digital format through the platform referred to in paragraph 3 and shall include at least the following data, where applicable:

- (a) Contracting parties,***
- (b) Nature of the contract (financial PPA, physical PPA),***
- (c) Duration of the contract,***
- (d) Volume of energy contracted,***
- (e) Type of energy contracted,***
- (f) Bidding zone of delivery,***
- (g) Contracted price structure,***
- (h) Public support,***
- (i) Public guarantees***

5. On the basis of the information collected, the national regulatory authority shall publish an annual report on the development of the PPA market at the national level. Likewise, ACER shall publish an annual report on the PPA market at Union level.

6. ACER shall develop the technical and functional specifications of the 'Database', including the interoperable data exchange mechanism for exchanging with the national regulatory authorities' platforms and the format for electronic submissions. ACER shall ensure that the Database is fully operational by ... [12 months after the entry into force of this Regulation] and shall draw up a plan for the

implementation of the 'Database'."

Or. en

Justification

Article that set up an Union PPA Database

Amendment 93

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19ac (new)

Text proposed by the Commission

Amendment

Article 19ac

Standardized power purchase agreements

The Commission, together with the NEMOs, shall develop standardized PPAs designed to simplify the procedure and to match the risk profile of different size customers. The use of these standardized contracts shall be voluntary for the contracting parties. As such, standardized PPAs shall have, among others, the following characteristics:

(a) offer a variety of shorter contract durations, including of up to 5 years;

(b) offer electricity supply at different timeframes;

(c) provide different price formulas;

(d) be shaped to the load profile required by the customer.

Or. en

Amendment 94

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Text proposed by the Commission

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.

Amendment

1. Member States shall facilitate power purchase agreements ('PPAs') **and remove barriers** 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, **and to ensure more predictable electricity prices** while preserving competitive and liquid electricity markets. **Particularly, Member States shall facilitate renewable power purchase agreements, as set out in Directive (EU) 2018/2001, 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) (2) of Article 4 of Regulation (EU) 2018/1999.**

Or. en

Amendment 95

Proposal for a regulation
Article 1 – paragraph 1 – point 9
Regulation (EU) 2019/943
Article 19a – paragraph 1a (new)

Text proposed by the Commission

Amendment

1 a. By 31 December 2024, the Commission, in coordination with all NEMOs, shall establish a platform that allows all market participants to trade power purchase agreements, including the standardized power purchase agreements set out in article 19ac. The platform shall ensure instruments to facilitate the participation through aggregation.

Justification

To facilitate the signing of PPAs in a more transparent way and to lower PPAs transaction costs, especially for small participants, it shall be established a platform.

Amendment 96**Proposal for a regulation****Article 1 – paragraph 1 – point 9**

Regulation (EU) 2019/943

Article 19a – paragraph 2

Text proposed by the Commission

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.

Amendment

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 shall facilitate the pooling of demand for PPAs and may include, inter alia, guarantee schemes at market prices or private guarantees in compliance with relevant Union law.*** 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 ***among each category of customers.***

Or. en

Amendment 97**Proposal for a regulation****Article 1 – paragraph 1 – point 9**

Regulation (EU) 2019/943

Article 19a – paragraph 3

Text proposed by the Commission

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**.

Amendment

3. Guarantee schemes for PPAs backed by the Member States shall include provisions to avoid lowering the liquidity in electricity markets, shall not provide support to the purchase of **non-renewable** generation **and shall not prevent the subjected generators to participate in balancing and ancillary services markets. Special attention shall be given to small costumers with difficulties to sign a renewable PPA.**

Or. en

Justification

If the guarantee schemes are backed by the Member States, the provision should be only for renewable PPAs.

Amendment 98

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19a – paragraph 4

Text proposed by the Commission

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 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.**

Amendment

4. In the design of the support schemes for electricity from renewable sources, Member States **may** allow the participation of projects which reserve part of the electricity for sale through a **renewable** PPA or other market-based arrangements, **provided that the two parties to the agreement are not controlled by the same entity. Member States shall** endeavour to make use of evaluation criteria to incentivise the access to the PPA market for customers that face entry barriers.

Amendment 99**Proposal for a regulation****Article 1 – paragraph 1 – point 9**

Regulation (EU) 2019/943

Article 19b – paragraph 1

Text proposed by the Commission

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.

Amendment

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 **two-way contracts** for differences. **Without prejudice to the obligations of Member States under Article 6 of Directive 2018/2001 and subject to compliance with Regulation (EU) 2020/852**, new investments for the generation of electricity shall include investments:

- a) in new power-generating facilities, or**
- b) aimed at repowering existing power-generating facilities, or**
- c) aimed at *increasing the capacity of* existing power-generating facilities or;**
- d) *aimed* at prolonging their lifetime.**

Or. en

Justification

Adjustments to clarify which type of investments is referred to. Also to avoid retroactive measures that could negatively affect investments and to highlight that the taxonomy must be complied with.

Amendment 100**Proposal for a regulation****Article 1 – paragraph 1 – point 9**

Regulation (EU) 2019/943

Article 19b – paragraph 1 – subparagraph 1a (new)

Text proposed by the Commission

Amendment

1 a. In the case of investments under points c) and d), two-way contract for differences shall be strictly limited to the share of the total power-generation capacity that reflects the costs of the new investment in relation to the total investments costs of the power-generating facility.

Or. en

Justification

It is necessary to clarify that for the prolongation of the lifetime, the provision only applies to the equivalent amount of investment in relation to the total investments costs.

Amendment 101

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 1 – subparagraph 1b (new)

Text proposed by the Commission

Amendment

1 b. The first subparagraph shall apply to contracts under direct price support schemes for new investments in generation concluded as of one year after the date of entry into force of this Regulation.

Or. en

Amendment 102

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point a

Text proposed by the Commission

(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)**;

Amendment

(a) be designed so that the revenues collected when the market price is above the strike price are distributed to **the** final electricity customers, **giving priority to compensating vulnerable customers and those affected or at risk of energy poverty as defined in point (48) of Article 2 of Directive [EED]. Member States shall also dedicate a share of the revenues to support investments in energy efficiency and to compensate the cost of the support scheme where the market price is below the strike price.**

Or. en

Justification

A targeted approach for the revenues collected is needed, with a prioritization for those who need it most.

Amendment 103

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point aa (new)

Text proposed by the Commission

Amendment

(a a) Under an electricity price crisis declared pursuant to Article 66a of [Revised EMD Directive], in addition to the provisions laid down in paragraph 3(a), Member States may dedicate a share of the revenues collected to electricity intensive industries exposed to carbon leakage risks.

Or. en

Amendment 104

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point ba

Text proposed by the Commission

Amendment

(b a) take into consideration locational criteria to ensure that new investments in generation take place in optimal locations that do not create or worsen congestion in the grid;

Or. en

Amendment 105

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point bc

Text proposed by the Commission

Amendment

(b b) guarantee transparency in the conditions, including the prices, of the support scheme;

Or. en

Amendment 106

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point bd (new)

Text proposed by the Commission

Amendment

(b c) be organised and announced to the public with ample time in advance in line with article 6(3) of Directive (EU) 2018/2001;

Amendment 107

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point be (new)

Text proposed by the Commission

Amendment

(b d) include penalty clauses applicable in case of early termination of the support scheme by the producer;

Or. en

Amendment 108

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19b – paragraph 3 – point be (new)

Text proposed by the Commission

Amendment

(b e) not receive support for production in any periods in which the market value of that production is negative.

Or. en

Amendment 109

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 1

Text proposed by the Commission

Amendment

1. By 1 January 2025 and every two years thereafter, the regulatory authority of each Member State shall assess and draw

1. By 1 January 2025 and every two years thereafter, the regulatory authority of each Member State shall assess and draw

up a report on the need for flexibility in the electricity system for a period of at least **5** years, in view of the need to cost effectively achieve security of supply and decarbonise the power system, taking into account the integration of different sectors. The report shall be based on the data and analyses provided by the transmission and distribution system operators of that Member State pursuant to paragraph **2** and using the methodology pursuant to paragraph **3**.

up a report on the need for flexibility in the electricity system for a period of at least **10** years, in view of the need to cost effectively achieve security of supply and decarbonise the power system, ***contributing to the stability and reliability of the system and the efficient management and development of electricity networks, and*** taking into account the integration of ***the renewable energy sources and the*** different sectors. The report shall be based on the data and analyses provided by the transmission and distribution system operators of that Member State, ***following a public consultation including energy suppliers and aggregators,*** pursuant to paragraph **3** and using the methodology pursuant to paragraph **4 and shall include an assessment of the progress towards the 15% electricity interconnection target set out in Regulation (EU) 2018/1999.**

Or. en

Amendment 110

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 1a (new)

Text proposed by the Commission

Amendment

1 a. By 1 January 2026 and every 2 years thereafter, ACER shall draw up a report to assess the need for flexibility in the electricity system at EU level for a period of at least 10 years.

Or. en

Amendment 111

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 2

Text proposed by the Commission

2. The **report** shall include an **evaluation** of the need for flexibility to integrate electricity generated from renewable sources in the electricity system and consider, in particular, the potential of non-fossil flexibility such as demand **side** response and storage to fulfil this need, both at transmission and distribution levels. The **report** shall distinguish between seasonal, daily and hourly flexibility needs.

Amendment

2. The **reports referred to in paragraphs 1 and 1a** shall include an **assessment** of the need for flexibility to integrate electricity generated from renewable sources in the electricity system and consider, in particular, the potential of non-fossil flexibility such as demand response and **energy** storage, **the self-consumption production capacity and renewable dispatchable production capacity** to fulfil this need, both at transmission and distribution levels. The **reports** shall distinguish between seasonal, daily **hourly** and hourly flexibility needs, **and between zonal flexibility needs, ensure all ancillary services are considered, consider congestion within a bidding zone, renewable energy curtailment levels. The reports shall include a high fossil fuel prices scenario and a business-as-usual scenario and consider the benefits to the Union energy and climate objectives.**

Or. en

Amendment 112

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 2a (new)

Text proposed by the Commission

Amendment

2 a. The reports referred to in paragraph 1 and 1a shall also include an evaluation of measures to create markets

for the procurement of system stability services from non-fossil flexibility sources.

Or. en

Amendment 113

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 3

Text proposed by the Commission

3. The transmission and distribution system operators of each Member State shall provide the data and analyses needed for the preparation of the *report* referred to in *paragraph 1* to the regulatory authority.

Amendment

3. The transmission and distribution system operators of each Member State shall provide the data and analyses needed for the preparation of the *reports* referred to in *paragraphs 1 and 1a* to the regulatory authority *and to the ENTSO for Electricity*.

Or. en

Amendment 114

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 4 – point a

Text proposed by the Commission

(a) define the *type of data and* format that transmission and distribution system operators shall provide to the regulatory authorities;

Amendment

(a) define the *requirements and the format of the data* that transmission and distribution system operators shall provide to the regulatory authorities *and to the ENTSO for Electricity*;

Or. en

Amendment 115

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 4 – point b

Text proposed by the Commission

(b) develop a methodology for the analysis by transmission and distribution system operators of the flexibility needs, taking into account at least all existing sources of flexibility and planned investments at interconnection, transmission and distribution level as well as the need to decarbonise the electricity system.

Amendment

(b) develop a methodology for the analysis by transmission and distribution system operators of the flexibility needs, taking into account at least all existing sources of flexibility and planned investments at interconnection, transmission and distribution level, ***the needs and level of flexibility of the rest of the directly interconnected Member States as well as the level of renewable energy sources in the electricity mix needed to achieve the target referred to in Article 3(1) of Directive (EU) 2018/2001 and the need to decarbonise the electricity system in coherence with the Paris Agreement and the objective of climate neutrality by 2050 at the latest .***

Or. en

Amendment 116

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 4 – point ba

Text proposed by the Commission

Amendment

(b a) provide guiding criteria on how to assess the capability of the most suitable flexibility sources to cover the needs;

Or. en

Amendment 117

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 4 – point bb (new)

Text proposed by the Commission

Amendment

(b b) define the segmentation of flexibility into different timeframes and the requirements for the assessment of flexibility at Union and national level, taking into account at least all existing and expected investments in flexible resources in the interconnected system as well as planned investments in interconnections for the next 10 years;

Or. en

Amendment 118

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 6

Text proposed by the Commission

Amendment

6. By 1 March 2024, the ENTSO for Electricity and the EU DSO entity shall jointly submit to ACER a proposal regarding the type of data and format to be submitted to regulatory authorities and the methodology referred to in paragraph 3. Within three months of receipt of the proposal, ACER shall either approve the proposal or amend it. In the latter case, ACER shall consult the ENTSO for Electricity and the EU DSO entity before adopting the amendments. The adopted proposal shall be published on ACER's website.

6. By 1 March 2024, the ENTSO for Electricity and the EU DSO entity shall jointly submit to ACER a proposal regarding the type of data and format to be submitted to regulatory authorities and the methodology referred to in paragraph 4. Within three months of receipt of the proposal, ACER shall either approve the proposal or amend it. In the latter case, ACER shall consult the ***Electricity Coordination Group***, the ENTSO for Electricity and the EU DSO entity before adopting the amendments. The adopted proposal shall be published on ACER's website ***and shall constitute the single common format used by all transmission and distribution system operators to***

comply with the obligations under paragraph 3 of this Article.

Or. en

Amendment 119

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 7

Text proposed by the Commission

7. The regulatory authorities shall submit the reports referred to in paragraph 1 to ACER and publish them. Within **12** months of receipt of the reports, ACER shall issue a report analysing them and providing recommendations on issues of cross-border relevance regarding the findings of the regulatory authorities.

Amendment

7. The regulatory authorities shall submit the reports referred to in paragraph 1 to ACER and publish them. Within **6** months of receipt of the reports, ACER **and the European Scientific Advisory Board on Climate Change (ESABCC)** shall issue a report analysing them, **taking into account the conclusions of the report referred to in paragraph 1a**, and providing recommendations on issues of cross-border relevance regarding the findings of the regulatory authorities. **Within 12 months ESABCC shall issue a report analysing compliance with EU climate targets and the goals of the Paris Climate Agreement.**

Or. en

Amendment 120

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19c – paragraph 7b (new)

Text proposed by the Commission

Amendment

7 a. Member States shall submit the assessment referred to in paragraph 1 to the Commission and shall make it available to the public. On the basis of the

reports, the Commission may issue recommendations for a best practise methodology, taking into account national specificities.

Or. en

Amendment 121

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19d – title

Text proposed by the Commission

Indicative national objective for demand *side* response and storage

Amendment

National objectives for demand response and *energy* storage

Or. en

Amendment 122

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19d – paragraph 1

Text proposed by the Commission

Based on the report of the regulatory authority pursuant to Article 19c(1), each Member State shall define *an indicative national objective* for demand *side* response and storage. *This indicative national objective* shall also be reflected in Member States' integrated national energy and climate plans as regards the dimension 'Internal Energy Market' in accordance with Articles 3, 4 and 7 of Regulation (EU) 2018/1999 and in their integrated biennial progress reports in accordance with Article 17 of Regulation (EU) 2018/1999.

Amendment

Based on the report of the regulatory authority pursuant to Article 19c(1), each Member State shall define *separate quantifiable national objectives* for demand response and *energy* storage *based on available capacity and develop a plan for delivering these objectives. These national objectives shall take into account ACER's opinion and recommendations referred to in Article 19c(7), shall include a quantification of actual available and forecasted capacity and energy content,* shall also be reflected in Member States' integrated national energy and climate plans as regards the dimension 'Internal

Energy Market' in accordance with Articles 3, 4 and 7 of Regulation (EU) 2018/1999 and in their integrated biennial progress reports in accordance with Article 17 of Regulation (EU) 2018/1999. ***The plan to deliver the first flexibility evaluation should be incorporated into the 2024 integrated national energy and climate plans as an addendum upon completion.***

Or. en

Amendment 123

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19d – paragraph 1a

Text proposed by the Commission

Amendment

By June 2025, after assessing the national objectives for demand response and energy storage communicated by the Member States through their integrated national energy and climate plans and in the light of ACER's opinion and recommendations referred to in Article 19c(7), the Commission shall present a report to the European Parliament and the Council assessing the national plans. In the light of the conclusions of this report, the Commission shall draw up a European strategy on demand response and energy storage consistent with the Union's 2030 targets for energy and climate as defined in point (11) of Article 2 of Regulation (EU) 2018/1999 and the climate-neutrality objective laid down in Article 2 of Regulation (EU) 2021/1119 which shall be accompanied, where appropriate, by a legislative proposal amending this Regulation and introducing minimum demand response and energy storage targets at Union level.

Justification

This amendment introduces a request to the Commission to evaluate and propose minimum demand response and energy storage levels at Union level to give clear signal for investors.

Amendment 124

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19d – paragraph 1c (new)

Text proposed by the Commission

Amendment

Transmission and distribution system operators shall develop at least one network development plan based on the national objectives set out in paragraph 1.

Or. en

Amendment 125

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19e – paragraph 1

Text proposed by the Commission

Amendment

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.

1. Member States which apply a capacity mechanism in accordance with Article 21 ***of Regulation (EU) 2019/943*** shall consider the promotion of the participation of non-fossil flexibility such as demand response and ***energy*** storage by ***simplifying the*** criteria or features in the design of the capacity mechanism ***ensuring that the product design do not impose any undue barriers on demand response and energy storage.***

Or. en

Amendment 126

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19e – paragraph 2

Text proposed by the Commission

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.

Amendment

2. Where the measures introduced in accordance with paragraph 1 to promote the participation of non-fossil flexibility such as demand response and **energy** 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 response and **energy** storage, ***including charging services for electric vehicles or hydro with reservoir and/or pumping.***

Or. en

Amendment 127

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19f – paragraph 1

Text proposed by the Commission

Flexibility support scheme for non-fossil flexibility such as demand response and storage applied by Member States in accordance with Article 19e(2) **and (3)** shall:

Amendment

Flexibility support scheme for non-fossil flexibility such as demand response and **energy** storage applied by Member States in accordance with Article 19e shall:

Or. en

Amendment 128

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19f – paragraph 1 – point b

Text proposed by the Commission

(b) be limited to *new investments in* non-fossil flexibility such as demand *side* response and storage;

Amendment

(b) be limited to non-fossil flexibility such as demand response and *energy* storage;

Or. en

Amendment 129

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19f – paragraph 1 – point ba (new)

Text proposed by the Commission

Amendment

(b a) take into consideration locational criteria to ensure that investments in new capacity take place in optimal locations and that they do not create or worsen congestion in the grid;

Or. en

Amendment 130

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19f – paragraph 1 – point g

Text proposed by the Commission

(g) set out a minimum level of participation in the market in terms of activated energy, which takes into account the technical specificities of storage and

Amendment

(g) set out a minimum level of participation in the market in terms of activated energy, which takes into account the technical specificities of *energy* storage

demand response;

and demand response *assets*;

Or. en

Amendment 131

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 19f – paragraph 1 – point i

Text proposed by the Commission

(i) be open to cross-border participation.';

Amendment

(i) ***where technically feasible***, be open to cross-border participation.';

Or. en

Amendment 132

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 21, paragraph 1

Text proposed by the Commission

Amendment

Article 21 is amended as follows:

(a) Paragraph 1 is replaced by the following:

"1. To eliminate residual resource adequacy concerns, Member States may, while implementing the measures referred to in Article 20(3) of this Regulation in accordance with Article 107, 108 and 109 of the TFEU, introduce capacity mechanisms."

Or. en

Amendment 133

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) 2019/943

Article 22, paragraph 1

Text proposed by the Commission

Amendment

Regulation (EU) 2019/943 is amended as follows:

Article 22 is amended as follows:

(a) Point a) of paragraph 1 is deleted

Or. en

Amendment 134

Proposal for a regulation

Article 1 – paragraph 1 – point 11 – point a

Regulation (EU) 2019/943

Article 50 – paragraph 4a – subparagraph 1

Text proposed by the Commission

Amendment

Transmission system operators shall publish in a clear and transparent manner, information on the capacity available for new connections in their respective areas of operation, including in congested areas if flexible energy storage connections can be accommodated, and update that information regularly, at least ***quarterly***.

Transmission ***and distribution*** system operators shall publish in a clear and transparent manner, information on the capacity available for new connections in their respective areas of operation ***at the transmission and distribution level,*** including ***the criteria used to calculate such available capacity such as curtailment assumptions, the level of self-consumption capacity installed, topological and electrical characteristics of the grid, the demand and generation for the next 5 years and*** in congested areas if flexible energy storage connections can be accommodated, and update that information regularly, at least ***monthly***.

Or. en

Amendment 135

Proposal for a regulation

Article 1 – paragraph 1 – point 11 – point a

Regulation (EU) 2019/943

Article 50 – paragraph 4a – subparagraph 2

Text proposed by the Commission

Transmission system operators shall also provide clear and transparent information to system users about the status and treatment of their connection requests. They shall provide such information within a period of three months from the submission of the request ;

Amendment

Transmission ***and distribution*** system operators shall also provide clear and transparent information to system users about the status and treatment of their connection requests. They shall provide such information within a period of three months from the submission of the request ;

Or. en

Amendment 136

Proposal for a regulation

Article 1 – paragraph 1 – point 12

Regulation (EU) 2019/943

Article 57 – paragraph 3a (new)

Text proposed by the Commission

Amendment

3 a. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the installed electricity capacity of selfconsumption.

Or. en

Amendment 137

Proposal for a regulation

Article 1 – paragraph 1 – point 13

Regulation (EU) 2019/943

Article 59 – paragraph 1 – point b

Text proposed by the Commission

(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 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;;

Amendment

(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 , the firmness of allocated cross-zonal capacity, congestion income distribution, the allocation 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;;

Or. en

Amendment 138

Proposal for a regulation

Article 1 – paragraph 1 – point 13 a (new)

Regulation (EU) 2019/943

Article 69 – paragraph 2 (new)

Text proposed by the Commission

Amendment

(13 a) in Article 69, the following paragraph 2a is added:

"2a. By 1 July 2025, the Commission shall assess any inefficiencies in the internal electricity market and, where appropriate, 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, centralized auctions

to provide liquidity."

Or. en

Amendment 139

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point a – introductory part

Text proposed by the Commission

Amendment

(a) points (8) *and (49)* is replaced by the following:

(a) points (8), *(31) and (49)* are replaced by the following:

Or. en

Amendment 140

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point a

Directive (EU) 2019/944

Article 2 – Paragraph 2– point 8

Text proposed by the Commission

Amendment

(8) ‘active customer’ means a final customer, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within confined boundaries or self-generated or shared electricity within other premises *located within the same bidding zone*, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity.”;

(8) ‘active customer’ means a final customer, *including a renewables self-consumer as defined under point (14) of Article 2 of Directive (EU) 2018/2001*, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within confined boundaries or self-generated or shared electricity within other premises, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity.”;

Or. en

Amendment 141

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point a

Directive (EU) 2019/944

Article 2 – Paragraph 2– point 31

Text proposed by the Commission

Amendment

(8 a) ‘energy from renewable sources’ or ‘renewable energy’ means ‘energy from renewable sources’ or ‘renewable energy’ as defined in point (1) of Article 2 of Directive (EU) 2018/2001.

Or. en

Amendment 142

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point b

Directive (EU) 2019/944

Article 2 – Paragraph 2– point 15a

Text proposed by the Commission

Amendment

(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;

(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, include a flexible element with for example peak and off peak price variations;

Or. en

Amendment 143

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – point b

Directive (EU) 2019/944

Article 2 – Paragraph 2– point 10a – subpoint b

Text proposed by the Commission

(b) the right to which has been transferred to them by another active customer whether free of charge or for a price.

Amendment

(b) the right to which has been transferred to them by another active customer whether free of charge or for a ***cost-reflective*** price.

Or. en

Amendment 144

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Directive (EU) 2019/944

Article 4 – Paragraph 1

Text proposed by the Commission

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.

Amendment

Member States shall ensure that all customers are free to purchase electricity from the ***suppliers*** of their choice. Member States shall ensure that all customers, are free to have more than one electricity supply contract at the same time, ***provided that the required connection and metering points are established***, 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, ***unless the existing smart-metering allows the aforementioned rights***.

Or. en

Justification

To avoid new investments where the smart-metering with these capabilities is deployment

Amendment 145

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point b

Text proposed by the Commission

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.

Amendment

1. Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price contracts and dynamic electricity price contracts. ***By the time of the entry into force of this Regulation, Member States shall ensure that final customers who have a smart meter installed, or a dedicated measurement device where it meets the conditions set out in Article 7b of the Regulation [revised EMD Regulation],*** 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.

Or. en

Amendment 146

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point b a (new)

Directive (EU) 2019/944

Article 11 – Paragraph 1a

Text proposed by the Commission

Amendment

(b a) Member States shall ensure that final customers with a fixed-term, fixed-price contracts are not excluded from participating in demand response and energy sharing.

Or. en

Amendment 147

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point c

Directive (EU) 2019/944

Article 11 – Paragraph 1a

Text proposed by the Commission

1a. Prior to the conclusion or extension of any contract, final customers shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language. This summary shall include at least information on total price, promotions, additional services, discounts and include the rights referred to in points (a), (b), (d), (e) **and (f)** of Article 10(3). The Commission shall provide guidance in this regard.

Amendment

1a. Prior to the conclusion or extension of any contract, final customers shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language. This summary shall include at least information on total price, promotions, additional services, discounts, ***conditions of the termination of the contract, contact details (including customer service), whether the price is fixed or indexed to wholesale prices,*** and include the rights referred to in points (a), (b), (d), (e), ***(f) and (h)*** of Article 10(3). The Commission shall provide guidance in this regard.

Or. en

Amendment 148

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point c

Directive (EU) 2019/944

Article 11 – Paragraph 1aa

Text proposed by the Commission

Amendment

1a a. Member States shall ensure that suppliers do not modify unilaterally the terms and conditions of fixed-term, fixed-price contracts or terminate them before the end of the contract.

Or. en

Amendment 149

Proposal for a regulation

Article 2 – paragraph 1 – point 3 – point d

Directive (EU) 2019/944

Article 11 – Paragraph 2

Text proposed by the Commission

2. Member States shall ensure that final customers are fully informed by the suppliers of the opportunities, costs and risks of dynamic electricity price contracts, and shall ensure that suppliers are required to provide information to the final customers accordingly, including with regard to the need to have an adequate electricity meter installed. Regulatory authorities shall monitor the market developments and assess the risks that the new products and services may entail and deal with abusive practices.

Amendment

2. Member States shall ensure that final customers are fully informed by the suppliers of the opportunities, costs and risks of dynamic electricity price contracts, and shall ensure that suppliers are required to provide information to the final customers accordingly, including with regard to the need to have an adequate electricity meter installed. ***Member States and*** regulatory authorities shall monitor the market developments and assess the risks that the new products and services may entail and deal with abusive practices. ***Regulatory authorities shall evaluate if the termination fees of the electricity contracts applied are appropriate and shall take measures against abusive practices.***

Or. en

Amendment 150

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 1

Text proposed by the Commission

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

Amendment

1. All households, small and medium sized enterprises and public bodies have the right to participate in ***renewable*** energy sharing as active customers ***within the same electricity distribution area. This right shall not apply to private enterprises or undertakings whose participation constitutes part of their primary or***

professional activity.

Or. en

Justification

The right to share energy can bring benefits to consumers in terms of lower energy bills among active costumer. But the provisions should be focused on small and non commercial market actors in a relatively close area, and avoid larger for-profit energy companies use this right as a professional activity.

Amendment 151

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 1 – point aa (new)

Text proposed by the Commission

Amendment

(a a) Active customers who participate in energy sharing arrangements 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 and for notifying electricity retailers at the same connection point about the energy sharing arrangement.

Or. en

Amendment 152

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) Active customers may use a third

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

party that owns or manages for installation, operation, including metering and maintenance **an energy storage, demand management** or renewable energy generation facility **of up to 100 kW capacity** for the purpose of facilitating energy sharing. **The** third party **shall not be** considered an active customer.

Or. en

Amendment 153

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2

Text proposed by the Commission

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

Amendment

(c) **2.** Member States shall ensure that active customers participating in energy sharing:

Or. en

Amendment 154

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(d) **(i)** 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 **non-discriminatory** taxes, levies and **cost-reflective** network charges;

Or. en

Amendment 155

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point b

Text proposed by the Commission

(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;

Amendment

(e) **(ii)** benefit from all consumer rights and obligations as final customers under this Directive, except **for their obligations** 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;

Or. en

Amendment 156

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point c

Text proposed by the Commission

(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;

Amendment

(f) **(iii)** have access to **standardized** template contracts with fair and transparent terms and conditions for peer-to-peer trading **and energy sharing** agreements between households, and for agreements on leasing, renting or investing in **energy storage, demand response** 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;

Or. en

Amendment 157

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point d

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 158

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point e

Text proposed by the Commission

(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.

Amendment

(h) **(v)** 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.

Or. en

Amendment 159

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 2 – point ea (new)

Text proposed by the Commission

Amendment

(h a) (vi) are allowed to participate alongside producers in a non-discriminatory manner in all electricity markets.

Or. en

Amendment 160

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 3

Text proposed by the Commission

Amendment

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

(i) **3.** Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:

Or. en

Amendment 161

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 3 – point a

Text proposed by the Commission

Amendment

(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;

(j) **(a)** 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;

Or. en

Amendment 162

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 3 – point b

Text proposed by the Commission

(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.

Amendment

(k) **(b)** 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.

Or. en

Amendment 163

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 15a – Paragraph 3a (new)

Text proposed by the Commission

Amendment

(k a) 4. The Commission shall specify, in the delegated act on Data Interoperability on Metering and Consumption Data, the rules for the required data exchange between grid operators and with retailers for energy sharing, by specifying existing standards and extending the delegated act to dedicated measurement devices used in energy sharing.

Or. en

Amendment 164

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944
Article 15a – Paragraph 2a (new)

Text proposed by the Commission

Amendment

2 a. 5. Member States shall ensure that the energy sharing projects owned by public authorities foresee that at least 20% of the amount of shared electricity shared is made accessible to vulnerable households.

Or. en

Amendment 165

Proposal for a regulation
Article 2 – paragraph 1 – point 4
Directive (EU) 2019/944
Article 15a – Paragraph 2b (new)

Text proposed by the Commission

Amendment

2 b. 6. The Commission shall provide additional guidance to Member States without increasing administrative burden in order to facilitate a standardised approach with regard to renewable energy sharing in Member States.

Or. en

Amendment 166

Proposal for a regulation
Article 2 – paragraph 1 – point 4
Directive (EU) 2019/944
Article 18a – Paragraph 1

Text proposed by the Commission

Amendment

1. National Regulatory Authorities shall ensure that suppliers have in place and implement appropriate hedging strategies to limit the risk of changes in

1. National Regulatory Authorities shall ensure that suppliers have in place and implement appropriate hedging strategies, **taking into account the size of**

wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets.

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 put effective measures in place to increase the liquidity in hedging markets, including specific measures to avoid the lack of level playing field with vertically integrated undertaking.**

Or. en

Amendment 167

Proposal for a regulation

Article 2 – paragraph 1 – point 4

Directive (EU) 2019/944

Article 18a – Paragraph 3

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 168

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944

Article 27a – Paragraph 1

Text proposed by the Commission

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

Amendment

1. Member States **without supplier of last resort** 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-

procedure.

discriminatory procedure.

Or. en

Amendment 169

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944

Article 27a – Paragraph 2

Text proposed by the Commission

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**.

Amendment

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, **17, 18, 25, 26 and 28**.

Or. en

Amendment 170

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944

Article 27a – Paragraph 3

Text proposed by the Commission

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**.

Amendment

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 **the period needed to find a new supplier**.

Or. en

Amendment 171

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944
Article 27a – Paragraph 4

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 172

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944
Article 27a – Paragraph 5

Text proposed by the Commission

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.”

Amendment

5. Member States may require the supplier of last resort to supply electricity to household customers **and SMEs** who do not receive market based offers **or during an electricity price crisis declared in accordance with article 66a**. In such cases, the conditions set out in Article 5 shall apply.”

Or. en

Amendment 173

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944
Article 28a – Paragraph 1

Text proposed by the Commission

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

Amendment

Member States shall **prohibit** electricity disconnections **of vulnerable customers and customers affected or at risk of energy poverty as defined in point (48)**

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

Article 2 of Directive [EED]. Household customers shall be entitled to receive electricity supply to cover their basic needs. This shall be provided as part of the concept of vulnerable customers pursuant to Article 28 (1) of this Directive and without prejudice to the measures set out in Article10(11).

Or. en

Amendment 174

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Directive (EU) 2019/944

Article 28a – Paragraph 1a (new)

Text proposed by the Commission

Amendment

Member States shall complement the provisions in paragraph 1 with the adoption of specific measures for the winter season and the summer season (in warmer climates) to enable household customers to manage their consumption and avoid high settlement bills.

Or. en

Amendment 175

Proposal for a regulation

Article 2 – paragraph 1 – point 7

Directive (EU) 2019/944

Article 31 – Paragraph 3

Text proposed by the Commission

Amendment

The distribution system operator shall provide system users with the information they need for efficient access to, including use of, the system. In particular, the distribution system operator shall publish in a clear and transparent manner

The distribution system operator shall provide system users with the information they need for efficient access to, including use of, the system. In particular, the distribution system operator shall publish in a clear and transparent manner

information on the capacity available for new connections in its area of operation, including in congested areas if flexible energy storage connections can be accommodated, and update that information regularly, at least *quarterly*.

information on the capacity available for new connections in its area of operation, including in congested areas if flexible energy storage connections can be accommodated, and update that information regularly, at least *monthly*.

Or. en

Amendment 176

Proposal for a regulation

Article 2 – paragraph 1 – point 7

Directive (EU) 2019/944

Article 31 – Paragraph 3a

Text proposed by the Commission

Amendment

Distribution system operators shall provide the option to request grid connection and submit relevant documents exclusively in digital form. The Commission shall review the national standards 12 months after the entry into force of this Regulation and submit a proposal for harmonised standards

Or. en

Amendment 177

Proposal for a regulation

Article 2 – paragraph 1 – point 7 a (new)

Directive (EU) 2019/944

Article 33 – Paragraph 1

Text proposed by the Commission

Amendment

(7 a) In Article 33, paragraph 1 is replaced by the following:

"Without prejudice to Directive 2014/94/EU of the European Parliament and of the Council (25), Member States shall provide the necessary regulatory framework to facilitate the connection of

publicly accessible and private recharging points with smart charging functionalities and bidirectional charging functionalities in accordance with Article 20a of Directive (EU) 2018/2001 to the distribution networks. Member States shall ensure that distribution system operators cooperate on a non-discriminatory basis with any undertaking that owns, develops, operates or manages recharging points for electric vehicles, including with regard to connection to the grid.

In addition to the requirements in Regulation [AFIR], Member States shall ensure non-publicly accessible normal power recharging points installed in their territory from [the transposition deadline of this amending Directive]. "

Or. en

Amendment 178

Proposal for a regulation

Article 2 – paragraph 1 – point 9 – point b

Directive (EU) 2019/944

Article 59 – Paragraph 1 – subparagraph z

Text proposed by the Commission

(z) ***The regulatory authority shall have the following duties:*** monitoring the removal of unjustified obstacles to and restrictions on the development of consumption of self-generated electricity and citizen energy communities, including ***related to*** the connection of flexible distributed energy generation within a reasonable time ***in accordance with Article 58(d)***.

Amendment

(z) monitoring the removal of unjustified obstacles to and restrictions on the development of consumption of self-generated electricity and citizen energy communities, including ***obstacles and restrictions preventing*** the connection of flexible distributed energy generation within a reasonable time.

Or. en

Amendment 179

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 1

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 180

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 1 – subparagraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(a) very high *average* prices in wholesale electricity markets *of* at least two times the average price during the previous 5 years which is expected to continue for at least **3** months;

Or. en

Amendment 181

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 1 – subparagraph 2 – point b

Text proposed by the Commission

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

Amendment

deleted

and

Or. en

Justification

The high level of the prices of the wholesale market during a long period of time should be the main reason to declare the Union-wide electricity price crisis

Amendment 182

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 1 – subparagraph 2 – point c

Text proposed by the Commission

Amendment

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

deleted

Or. en

Justification

The high level of the prices of the wholesale market during a long period of time should be the main reason to declare the Union-wide electricity price crisis

Amendment 183

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 2a

Text proposed by the Commission

Amendment

2 a. The declaration of regional or Union-wide electricity price crisis shall ensure a level playing field across all Member States affected by the decision so that the internal market is not unduly distorted.

Amendment 184

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 4 – subparagraph 2 – point a

Text proposed by the Commission

(a) the price set for households only applies to at most 80% of median household consumption and retains an incentive for demand reduction;

Amendment

(a) the price set for households only applies to at most 80% of median household consumption and retains an incentive for demand reduction, ***and 100% for vulnerable consumers;***

Or. en

Amendment 185

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Directive (EU) 2019/944

Article 66a – Paragraph 4 – subparagraph 2 – point c

Text proposed by the Commission

(c) suppliers are compensated for supplying below cost; and

Amendment

(c) suppliers are compensated for supplying below cost, ***including through the revenues collected by the revenue cap set out in Article 10a of [revised EMD Regulation];*** and

Or. en

Amendment 186

Proposal for a regulation

Article 3 – paragraph 1 – point 1 – point a

Directive (EU) 2018/2001

Article 4 – Paragraph 3 – subparagraph 2

Text proposed by the Commission

To that end, with regard to direct price support schemes, support shall be granted in the form of a market premium, which could be, inter alia, sliding or fixed. ***This*** sentence shall not apply to support for electricity from the renewable sources listed in Article 19b(2) of Regulation (EU) ***2019/944***, to which Article 19b(1) of that Regulation applies.

Amendment

To that end, with regard to direct price support schemes, support shall be granted in the form of a market premium, which could be, inter alia, sliding or fixed. ***The previous*** sentence shall not apply to support for electricity from the renewable sources listed in Article 19b(2) of Regulation (EU) ***2019/943, with more than 6 MW installed capacity***, to which Article 19b(1) of that Regulation applies.

Or. en

EXPLANATORY STATEMENT

Building blocks for a reform that reflects the benefits of the ecological transition

The European Union is immersed in the energy transition to climate neutrality, which requires a substantial increase in the electrification of energy demand, to be supplied primarily by renewable energies. Our success in combating the climate crisis depends to a large extent on this.

Electricity, which accounts for less than 24% of the Union's final energy consumption, is meant to be the dominant energy carrier to achieve our climate and environmental objectives, but also to increase our security of energy supply and our competitiveness.

However, the unprecedented increase in the price of energy as a result of Russia's invasion of Ukraine has caused social suffering and serious mistrust in the benefits of electrification. The energy crisis, which had been showing signs since mid-2021, has caused electricity bills to rise to record levels, well above average production costs. These prices are unaffordable for citizens, SMEs and industry, with serious macroeconomic consequences such as an increase in inflation. The transfer of high gas prices to the electricity markets has amplified the failures and shortcomings of the current design of the electricity market.

The future highly electrified energy system must incorporate elements of reliability to avoid a social crisis such as the one we have experienced. Transportation, heating and cooling of our homes or industry will not rely on electrification without structural measures that can cope with new shocks.

There is no doubt about the need for reform, not only to incorporate lessons learned, but also to adapt the current design to the new framework arising from the European Climate Act, the Fit for 55 package and REPowerEU, as well as the new realities that innovation and digitalization allow.

The rapporteur considers that the Commission has presented a constructive proposal, although insufficient to address the challenges posed: making energy cheaper, reducing volatility, gaining competitiveness, accelerating the growth of renewables to reduce the dependence of consumer bills on volatile fossil fuel prices and better protecting consumers against future prices. Therefore, based on the Commission's proposals, he proposes the following changes:

Reflect the benefits of renewables and support their deployment.

As long as part of the mix remains dependent on fossil fuels, such as gas, the affordability of renewables will not be fully realized. On the other hand, a short-term market with a percentage of technologies with variable costs close to zero may discourage new investment in renewable capacity.

It is crucial to promote two-way contracts for difference (CfDs) to provide consumers with stable prices and producers with certainty. However, while supporting the Commission's proposal, the rapporteur considers the following adjustments to be necessary:

- In the distribution of revenues obtained from CfDs, priority should be given to those

consumers who need it most. Moreover, it should be oriented towards energy efficiency measures that contribute to energy savings, as well as to financing the costs of the CfDs themselves,

- In crisis situations, which will coincide with excess income, the possibility of helping the electro-intensive industry should also be allowed,
- Requirement of compatibility with the Taxonomy Regulation,
- In the case of plants receiving support for lifetime extension or capacity increase, CfDs should only be considered for the equivalent percentage of the investment compared to the total investment.
- Smart design: generation under CfDs should continue to adjust its output to reflect market circumstances, should take into account optimal locational criteria and include penalties in case of early termination of the support scheme by the producer.

Power Purchase Agreements (PPAs) are an appropriate instrument to allow improved access to private financing of primarily renewable generation capacity while providing long-term stability to the consumer. However, this market is currently limited to large companies and vertically integrated energy companies. In order to encourage PPAs, the rapporteur considers it necessary:

- Increase transparency through a European database that facilitates the collection of data on the PPA market,
- Facilitate the entry of small players and lowering transaction costs by standardizing PPAs for voluntary use.
- In addition, creation of a platform for PPA trading.

The necessary acceleration of renewable installations, coupled with the inherent complexities of managing an electricity system with variable and distributed resources, poses substantial challenges to grids. The rapporteur supports provisions to promote the use of anticipatory investments, encouraging the acceleration of grid development to meet the accelerated deployment of renewable and smart electricity demand, such as electric vehicles and heat pumps. In addition, he proposes concrete criteria for flexible connection arrangements that will enable more efficient use of grid capacity.

Strengthening forward markets

Adequate liquidity of forward markets is a pending issue of the current design, in addition to the necessary improvement of electricity interconnections, measures to facilitate trading and allocation of long-term transmission rights will increase liquidity. However, there is a lack of clarity regarding the Commission's proposal for the creation of regional virtual hubs, a proposal that, on the other hand, requires well-interconnected regions. An impact assessment should therefore be carried out before implementation.

Demand and storage flexibility

To protect ourselves from the price volatility of fossil fuels and to carry out an efficient integration of renewables into the electricity system, we must have measures that provide flexibility to the grid through active demand-side management and storage.

The rapporteur supports the Commission's approach, but proposes to strengthen it. In addition

to an assessment at member state level, a European view on storage and demand response needs is crucial. Once assessed, separate, quantifiable national targets for demand response and storage should be set.

Taking into account national and European needs, as well as national targets, it is suggested that the Commission propose a European minimum level consistent with the 2030 energy and climate targets, which will also serve to provide certainty for investors and facilitate deployment.

Part of the demand response and storage potential lies in electric vehicle batteries. It is proposed to explicitly account for electric vehicle charging services in the flexibility and include obligations for bi-directional charging functionalities (consistent with the agreement in the Renewable Energy Directive).

In addition to evaluating and setting objectives, support schemes will be needed to carry them out. The Commission proposes to use existing capacity mechanisms and to adapt them. The rapporteur considers that, while respecting strict environmental criteria, these mechanisms should also be considered as a structural part, taking into account existing flexibility, especially in cases where there is a high penetration of variable sources and low interconnection. In addition, he proposes to study a modernization and Europeanization of these mechanisms.

Protecting consumers and extending rights

A fundamental objective of this reform is to reinforce the rights and guarantees of consumers, especially the most vulnerable and those in a situation of energy poverty.

The Commission is right to introduce the right of consumers to be able to sign fixed-price electricity supply contracts. However, it is necessary to complement this measure by including the obligation that suppliers cannot modify the conditions of the contracts during their duration, nor terminate them prematurely, extending the information requirements to be provided, or guaranteeing the right of customers with this type of contract to be able to participate in demand response measures or energy sharing.

It is also necessary to introduce the obligation for Member States to prohibit the disconnection of vulnerable customers, including those affected by energy poverty, and to guarantee the right of citizens to receive electricity supply to cover their basic needs.

These rights must also be complemented by the obligation for Member States to adopt specific measures for the winter and summer seasons aimed at household customers, in order to help them manage their consumption and avoid high bills.

It is a step forward that the Commission establishes the obligation to designate a supplier of last resort: this measure, already implemented in several Member States, is necessary to guarantee electricity supply to all citizens and protect their rights in the event of bankruptcy of their usual supplier. However, it is necessary to go further by guaranteeing continuity of service for as long as necessary until a new supplier is found and not for a limited period of time. Security of supply should also be extended to SMEs.

The rapporteur believes that the Commission is right to propose rules on the right to share energy. This is a good measure, but it is not adequately formulated as there are too many loopholes that could be exploited by unscrupulous actors to avoid obligations as generators.

Therefore, the geographical scope of the proposed measure should be adequately regulated, so that the activity of energy sharing is limited to the same distribution area, while limiting the size of energy installations when they are owned by third parties: the objective of the right to share energy should be the exchange of surplus production from self-consumption installations, not the traditional commercialization of energy by other means.

European tools and coordination in the face of another possible price crisis

The price crisis has shown that, in the face of serious disturbances, the protection and stabilization measures of the current market design are not sufficient. Proof of this is that multiple emergency regulations have had to be hastily adopted to try to stop the bleeding that the current design of the electricity market was causing, not only for electricity consumers, but also at the macroeconomic level.

It is therefore urgent to learn from what happened and adapt measures adopted during the crisis to incorporate them structurally into the design of the electricity market. In this respect, it is positive that the Commission introduces specific measures for periods of crisis, such as the possibility of regulated tariffs even with prices below cost. However, the rapporteur considers that the proposal does not resolve how to finance them, which means leaving countries with less fiscal space and, therefore, their citizens, at a disadvantage.

It is therefore necessary to correct this gap by incorporating as a structural instrument of the system a measure introduced during the crisis, such as the temporary cap of the market revenues of infra-marginal generators so that part of them can be used to alleviate a new price shock.

Such a measure should be introduced on a structural basis and at European level for three reasons:

- provides a source of funding for the regulated tariffs proposed by the Commission, allowing even Member States with less financial capacity to have a source of revenue to offset high prices,
- provides predictability to consumers and investors by knowing the rules in advance, avoiding having to resort to new emergency regulations through improvisation and uncertainty and without Parliament's involvement.
- avoids fragmentation of the internal market through the introduction of common rules.

In the long term, the Commission should consider evolutions of this cap towards other instruments such as a "relief valve" in case of crisis, or other measures with equivalent results, such as reliability options.

ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
Eurelectric
European Network of Transmission System Operators for Electricity
E.ON SE
PGE Polska Grupa Energetyczna SA
Nordenergi
EDF France
Climate Action Network Europe
European Commission (DG ENER)
Ørsted A/S
Acciona S.A.
Nominated Electricity Market Operator (NEMO) committee - OMIE
E.DSO – European Distribution System Operators
Alcoa
EASE
GEODE
ACER
BEUC
ASEALEN
REScoop.eu
EREF
Instituto de Investigación Tecnológica de Comillas (IIT)
Permanent Representation of Germany
Arcelor Mittal
RWE
EEX
Uniper
Nord Pool AS
European Committee of the Regions
Shell
Vattenfall
EGEC
smartEn Smart Energy Europe
DSO Entity
Asociación de Comercializadores Independientes de Energía (ACIE)
European Economic and Social Committee
Naturgy
ENI

Permanent Representation of Denmark
Eurometaux
Euromines
Fondation Abbé Pierre, Friends of the Earth Europe, FEANTSA, ESF
Institute for European Environmental Policy
ENEL
Solar Power Europe
Red Eléctrica Española
Permanent Representation of Spain
Permanent Representation of Luxembourg
RE-Source Platform
E3G
Wind Europe