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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	7440/23 + ADD1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 - Preparation for the trilogue

I. INTRODUCTION

1. On 14 March 2023, the Commission presented a proposal for the Regulation to improve the Union's electricity market design (EMD Regulation), together with the Regulation to improve the Union's protection against market manipulation in the wholesale energy market (REMIT Regulation).
2. These proposals follow the very high prices and volatility in the electricity markets observed in 2021 and 2022, and are based on three pillars – to protect consumers, to enhance stability and predictability of the costs of energy and thereby contribute to the competitiveness of the EU economy, and to boost new energy investment.

3. The EME Regulation amends the Electricity Directive 2019/944 and the Electricity Regulation 2019/943, together with targeted changes in the Renewables Directive 2018/2001 and the ACER Regulation 2019/942.
4. The European Council on 23 March 2023 invited the co-legislators to take work forward without delay on the proposed revision of the EU's internal electricity market design with a view to ensuring its adoption by the end of 2023 and, on 26-27 October, called again on the co-legislators to reach a prompt agreement on the reform of the Electricity Market Design.
5. In the European Parliament, the Committee on Industry, Research and Energy (ITRE) is the leader for the file. The appointed rapporteur is MEP Nicolas Gonzalez Casares (S&D, Spain). The Parliament adopted its report in Plenary on the EMD Regulation on 14 September 2023.
6. The European Economic and Social Committee adopted its opinion on EMD on 14 June, while the European Committee of the Regions adopted its opinion on EMD on 6 July 2023.

II. INTERINSTITUTIONAL NEGOTIATIONS - STATE OF PLAY

1. The TTE (Energy) Council on 17 October 2023, agreed on a general approach on the above-mentioned proposal and the first trilogue, based on the Council general approach, took place on 19 October 2023. The fourth column document reflecting the initial Commission proposal and the mandates of colegislator is document ST 14464/23.
2. During the first trilogue, both institutions explained their positions on the main political issues and recognised the need to swiftly advance on this file. A broad mandate was given to the subsequent technical meetings to identify and make progress on areas of compromise in view of the second informal trilogue planned on 16 November.

3. After the first trilogue intense discussions have taken place at technical meetings. At the Energy Working Party meetings in October and November 2023, delegations were invited to express their positions and flexibilities on the Parliament's amendments concerning the entire set of articles as well as on various compromise proposals; namely on consumer and retail market related aspects (including energy sharing), flexibility provisions, capacity mechanisms, day ahead and intraday trading, forward markets, transmission access guarantees, intraday cross-zonal gate closure time, Power Purchase Agreements (PPAs), and provisions on information from Transmission System Operators (TSOs) and Distribution System Operators (DSOs).
4. Suggested 'provisionally agreed' proposals discussed at technical level are included in document 15049/23 ADD 1.

III. PREPARATION FOR THE NEXT TRILOGUE

1. The second informal trilogue will take place on 16 november 2023. The discussion will contains the **political elements in the provisions related to:**
 - a. Day ahead/intraday and forward markets, including peak shaving.
 - b. Consumer and retail markets, including energy sharing.
 - c. Flexibility provisions.
 - d. Power Purchase Agreements (PPAs) and related aspects.
 - e. Acces tariffs, congestion income (transmission access guarantee, TAG) and aspects related to information by Tranmission System Operators (TSOs) and Distribution System Operators (DSOs).
2. The above issues were discussed during technical meetings with the Parliament and the Commission. Moreover, the Presidency presented and discussed drafting proposals at the Energy Working Party.

3. Taking into account Council's general approach, the discussions in the Energy Working Party and the input received by Member States as well in written, and considering the negotiations that took place so far, **the Presidency puts forward the proposals reflected in this note and asks for flexibility**, where needed, in order to reach compromise agreements with the European Parliament in the trilogue.
4. **Day ahead/intraday and forward markets, including peak shaving (Articles 7, 7a, 8 and 9 of Electricity Regulation 2019/943 on the internal market for electricity)**. The key elements of the compromise are the following:
- In Article 7.1 (line 87) and in article 59.1.b) (line 208), the reference **to an entity designated by transmission system operators (TSOs) and Nominated Market Operators (NEMOs) to manage the market coupling for day ahead and intraday electricity markets** will be removed as proposed by the Parliament.
 - In article 8(1) (line 113), the Parliament and Council share the structure for the introduction by Member States in 2026 of a closer to real time **intraday cross-zonal gate closure time** for the electricity market, with a first possible derogation from its application until 1 of January 2029 at the request of TSOs and authorized by the National Regulatory authorities (NRAs): The difference between the mandates of legislators is that the duration of a **further second derogation** counting from 1 January 2029 is, respectively, two or three years. Presidency ask delegations about their flexibilities in relation to this further derogation, including a possible middle ground of 2,5 years from 1 January 2029.
 - In relation to the design of the **Union's forward market** in Article 9 (lines 117 to 130a), the text proposes flexibility towards the Parliament envisaging that the Commission will assess the impact of the different tools to improve the ability of market participants to hedge price risks and will adopt an implementing act to further detail the specific measures and tools to achieve this objective. In the Council General Approach the virtual hub was the target model to follow.

5. **Access tariffs; congestion income (transmission access guarantee, TAG); information and cooperation between Transmission System Operators (TSOs) and Distribution System Operators (DSOs)**

- With regard to article 18 Electricity Regulation 2019/943 (line 131 to 139, and related definitions in lines 83a-83b), on elements of the methodology for the calculation of tariffs for access to the electricity networks, it is proposed to incorporate those aspects that allow for a contribution to the energy transition towards the achievement of the Union's targets, such as anticipatory investments or flexible connection agreements (in a new article 6a in the Electricity Directive).
- In relation to the new provision in Article 19 Electricity Regulation 2019/943 (line 144) that allows the **use of congestion income for a justified compensation (transmission access guarantee, TAG) to hybrid offshore facilities** in case the energy to access to interconnected markets has been reduced due to the situation in the interconnection capacities, the aim of the compromise proposal is to preserve the solution of the problems detected, while clearly ring fencing the cases for the application of such compensation.
- On the articles related to **aspects of information and cooperation between TSOs and DSOs** (articles 50 and 57 Electricity Regulation 2019/943 and article 31 Electricity Directive 2019/944), the compromise proposal reinforces some elements proposed by the Parliament that contribute to improve the detail of transparency in terms of information to be provided to stakeholders.
- In addition, the Presidency has tried to accommodate the reinforcement proposed by the Parliament in relation to the **integration of electromobility** into the electricity network in article 33 of the Electricity Directive 2019/944).

6. Consumer and retail markets, including energy sharing.

- On article 11 Electricity Directive 2019/944, related to **entitlement to electricity price contracts**, the two key political elements for the Parliament are: a) the derogation for electricity suppliers from the obligation to offer fixed price contracts (line 236) and b) the clause related to unilateral modification or termination of fixed-term, fixed-price electricity contracts by the suppliers (line 238). The compromise proposed is to: a) strengthen the requirements to apply the above mentioned derogation in line 236, and b) replicate the elements in definition of fixed-term, fixed-price electricity supply contracts (in article 2.15a) stating that those cannot be terminated nor modified unilaterally before their maturity.
- In relation to the **supplier risk management provisions** in article 18a Electricity Directive 2019/944 (line 259), the Parliament considers that stress tests are to be included as a mandatory task for National Regulatory Authority (NRA), in order to verify the ability of electricity suppliers to face major changes in the market dynamics and their technical and economic capacity to ensure resilience. In light of the comments by delegations, the Presidency compromise incorporates the possibility of the NRAs to carry out stress tests as an additional element to their function of ensuring that suppliers have in place adequate hedging strategies.
- In relation to **Energy sharing** (Article 15a Electricity Directive 2019/944) there are three elements of particular relevance for the Parliament:
 - a) Widening the possibility to share energy to all customers (with possibility to limit the geographical area) (line 244). The Presidency compromise enlarges the scope of the customers subject to the right for energy sharing, subject to the framework and conditions set in this article.

- b) The increase of the capacity thresholds for multiapartments to be exonerated from the obligations of electricity suppliers while they share energy (line 249a), where the Parliament proposes 100 kW as threshold for multiapartments not to be subject to these obligations, while the General Approach envisages 50 kW. The Presidency ask delegations about their flexibility in this respect, and proposes to maintain a value 10,8 kW of installed capacity as the thresholds for households.
- c) To make accessible to vulnerable customers a 20% of the energy shared by projects owned by public authorities (line 256a). The Presidency proposes to incorporate this 20% and to add the energy poor customers to the vulnerable ones under the scope of this provision, taking as a reference Electricity Directive 2019/944 in the framework of energy of social policies.

The Presidency proposes to keep in brackets cross-references to energy sharing in the text of the EMD Regulation, in particular in Article 7b of Electricity Regulation (Dedicated measurement device) and in Article 4 of Electricity Directive (free choice of electricity supplier). Those would be revisited to ensure consistency with the common understanding on this article 15a.

7. **Flexibility provisions** (lines 168 to 198, articles 19c to 19f Electricity Regulation 2019/943) can be split into:

- The **assessment of needs and the national indicative targets for non-fossil flexibility** (articles 19c-19d of Electricity Regulation 2019/943), where there are two main important differences between the Parliament and the Council. The Presidency compromise proposal intends to streamline the provisions containing common elements and seeking to solve differences as follows:
 - a) With regard to the governance of the entities to elaborate the report identifying the flexibility needs in Member States, the Parliament aims at limiting it to the National Regulatory Authority (NRA). The Presidency proposes to maintain the alternative for Member States to designate other competent entities different than the NRA, maintaining always their neutral role via a final check by the NRAs.

- b) On the flexibility targets to be set by Member States based on the needs identified, the Parliament proposes to focus on demand side and storage and to establish two differentiated targets for each of them and a specific plan. The Council's approach is to have one single target for flexibility, covering both demand and storage as well as other potential resources (such as smart grids, interconnections). It is proposed to maintain one non-fossil flexibility single indicative target that allows to encompass all possible resources to provide it, and to incorporate the exercise of the targets in the framework of the National Energy and Climate Plans.
 - c) In exchange, it is proposed to envisage that the Commission, based on the corresponding assessment of national reports and National Energy and Climate Plans, could propose where appropriate EU strategies for flexibility, in particular for demand side and storage resources.
- The **support schemes for non-fossil flexibility sources** (articles 19e-19f of Electricity Regulation 2019/943) there are two main differences between legislators:
- a) Parliament wants to preserve (in article 19e) the reference to capacity mechanisms in order for those Member States that apply them to ensure the participation of flexibility resources, while the Council General Approach delinks the application of flexibility support schemes from the existence of capacity mechanisms in Member States. As a compromise, the Presidency proposes to encourage Member States applying capacity mechanisms to ensure that they enable the participation of flexibility resources and, in the adaption period, allow for the application of support schemes to flexibility.
 - b) In the design of support schemes (article 19f), the Parliament introduces the consideration of cross border participation of flexibility from other Member States, while the Council General approach discards this requirement. As a landing zone, the Presidency proposes that Member States wishing to do so may apply a requirement allowing to cross border participation by other countries.

8. **Power Purchase Agreements (PPAs) and related aspects:**

- In relation to the support to the development of PPAs in Article 19a Electricity Regulation (lines 148 to 155b) a very relevant element to the Parliament is to keep the focus on renewable PPAs, and the Presidency proposes to go towards this aim, as already envisaged in Directive 2018/2001 for the promotion of renewable energy sources.
- On the two new articles proposed by the European Parliament:
 - a) On article 19aa Electricity Regulation (lines 155c to 155h), establishing a PPA database managed by the Agency for the Cooperation of Energy Regulators (ACER), the Presidency has considered that under the REMIT regulation ACER will be able to collect this information and manage it through a database. Thus, the compromise is to avoid duplicities by not including this proposal from the Parliament.
 - b) On the voluntary standardised contracts (articles 19ab Electricity Regulation, lines 155i to 155m), the Presidency compromise is to accept the article maintaining the voluntary nature for Member States.

9. The proposals presented by the Presidency on all the above articles seek to clarify the text and address the concerns from the Parliament on these articles, while maintaining the core elements of the Council's general approach in the light of the flexibilities and elements raised by Member States in the Energy Working Party and in their written contributions.

IV. CONCLUSIONS

1. The Permanent Representatives Committee is invited to:
 - confirm the compromise texts as preliminarily agreed at the technical level, as listed in ST 15049/23 ADD 1 (four-column table),
 - reflect on the above-mentioned issues, and
 - to agree on a revised mandate for the second informal trilogue on 16 November 2023, on the basis of (a) the above-mentioned issues, (b) the text included in the Annex of this note and (c) suggestions and flexibilities expressed during the meeting of the Permanent Representatives Committee.
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1) POWER PURCHASE AGREEMENTS (PPAS) – ARTICLES 19A, 19AA, 19AB Electricity Regulation 2019/943 – Articles 19a to 19ab (lines 148 to 155m; doc. ST 14464/23)

- Additions in Council’s General Approach: **bold**
- Deletions in Council’s General Approach: ~~strikethrough~~
- New additions compared to Council’s General Approach: green
- New deletions compared to Council’s General Approach: ~~green strikethrough~~
- In brackets the elements where flexibility is required

Article 19a

Power purchase agreements

1. *Without prejudice to Directive (EU) 2018/2001, on the promotion of renewable sources*, Member States shall **promote the uptake of**~~facilitate~~ power purchase agreements (‘PPAs’), **[in particular renewables power purchase agreements]** **including by removing unjustified barriers and disproportionate or discriminatory procedures or charges**, with a view to **providing price predictability and** ~~to~~ reaching the objectives set out in their integrated national energy and climate plan with respect to the **decarbonisation** dimension~~decarbonisation~~ referred to in point (a) of Article 4 of Regulation (EU) 2018/1999, while preserving competitive and liquid electricity markets. **[The Commission may issue specific guidance to support Member States in the implementation of this provision].**

- [1a. By 12 months after the entry into force of this Regulation, the Commission, in consultation with relevant stakeholders, shall elaborate an impact assessment on the potential and viability of the establishment of an EU market platform for PPAs, to be used on a voluntary basis. The assessment shall evaluate the interplay of this potential platform with other existing electricity market platforms and the way to facilitate the pooling of demand for PPAs through aggregation.

On the basis of its assessment, where it demonstrates that the establishment of such an EU platform provides high added value and, at the same time, that such a market would not constitute a distortion of existing markets and that the administrative costs would not exceed the benefits, the Commission may submit appropriate legislative proposals and coordinate the necessary measures to develop the platform in an efficient manner].

2. Member States **in a coordinated manner** 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. ***Such instruments may include, but are not limited to, state-backed guarantee schemes at market prices, private guarantees, or facilities pooling demand for PPAs, and other Union-level facilities in compliance with relevant Union law*** ~~in line with Articles 107 and 108 TFEU.~~ For this purpose, Member States ~~shall~~ **may take into account ensure appropriate coordination, including with relevant** Union-level instruments ~~facilities~~. Member States ~~shall~~ **may** determine what categories of customers are targeted by these instruments, applying non-discriminatory criteria **to the different categories of customers.** [+ ADDITION OF A RECITAL WITH REFERENCE TO EIB].
3. ***Without prejudice to Articles 107 and 108 TFEU, if a G*** ~~guarantee schemes-scheme~~ for PPAs ***is*** backed by the Member States ~~State, or Union-level facilities,~~ ***it*** shall include provisions to avoid lowering the liquidity in electricity markets and shall not provide support to the purchase of generation from fossil fuels. [Where the market for renewables PPAs is not sufficiently developed, those guarantee schemes may exclusively support the purchase of new renewable generation].

4. ~~In the design of the s~~**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 renewable PPA or other market-based arrangements, [provided that the two parties involved in this PPA are not controlled by the same entity unless the buyer acts as an independent aggregator of customers that face entry barriers to the PPA market].~~
5. **In the design of such support schemes Member States and shall** endeavour to make use of evaluation criteria to incentivise **bidders to facilitate** the access to the PPA market ~~off~~ for customers that face entry barriers **to the PPA market, provided this does not negatively affect competition in the market.** [To be moved to a recital: 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].
56. PPAs shall specify the bidding zone of delivery and the responsibility for securing cross-zonal transmission rights in case of a change of bidding zone in accordance with Article 14.
67. PPAs shall specify the conditions under which customers and producers may exit from PPAs, such as any applicable exit fees and notice periods, in accordance ~~compliance~~ with Union competition law.
- [8. Member States shall ensure that regulatory measures are not revised in a way that is detrimental to PPAs that have been signed before the date of entry into force of the relevant regulatory measure.]
9. By January 2026 and every two years thereafter, the Commission shall assess whether barriers persist and whether there is sufficient transparency in the PPAs markets.

The Commission may draw up specific guidance on how to address barriers to PPAs.

Article 19aa

Union PPA database

Not to be incorporated.

Article 19ab

Voluntary standardised PPAs

[By 3 months after the entry into force of this Regulation, ACER will assess, in close coordination with other institutions and stakeholders, the need of developing standardised contracts for Power Purchase Agreements with the aim to facilitate and simplify their uptake and to match the risk profile of customers of different size or electricity producers.

In case the assessment detects the need to develop such a standard, ACER will adopt it according to the procedures in Regulation 2019/942 considering the following elements:

- The use of those standardised PPAs shall be voluntary for the contracting parties.
- Standardised PPAs shall have, inter alia, the following characteristics:
 - a) offer a variety of short term contract durations, including of up to five years;

- b) offer electricity supply at different timeframes;
 - c) provide different price formulas;
 - d) consider the load profile required by the customer and provided by the electricity producer.
- The standardised contracts may also specify the conditions under which customers and producers may exit from PPAs, such as any applicable exit fees and notice periods, in accordance with Union competition law and other relevant legislation.]

2) FLEXIBILITY PROVISIONS - ARTICLES 19C TO 19F ELECTRICITY REGULATION 2019/943 (LINES 168 TO 198; DOC. ST 14464/23)

- Additions in Council's General Approach: **bold**
- Deletions in Council's General Approach: ~~strikethrough~~
- New additions compared to Council's General Approach: *green*
- New deletions compared to Council's General Approach: ~~*green-strikethrough*~~

Article 19c

Assessment of flexibility needs

1. **No later than one year after the approval by ACER of the methodology pursuant to paragraph 6 of this Article,** ~~By 1 January 2025~~ and every two years thereafter, [the regulatory authority, **or another authority or entity designated by a Member State,**] ~~shall adopt~~ ~~of each Member State shall assess and draw up~~ a report on the *estimated* needs for flexibility in the electricity system **flexibility** for a period of ~~at least~~ [the next 5 to 10 years] *at national level*, in view of the need to cost effectively achieve security **and reliability** of supply and decarbonise the ~~power~~ **electricity** system, taking into account the integration of *variable renewable electricity sources and the* different sectors, ~~and~~ *as well as the interconnected nature of the electricity market, including interconnection targets and potential availability cross-border flexibility.*

The report shall ~~take into account~~:

- (a) ~~be consistent with the European Resource Adequacy Assessment and national adequacy assessments pursuant to ~~Article 20~~ Articles 23 and 24 of this Regulation.~~
- (b) ~~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 23 and using the **common** methodology pursuant to paragraph 34 **and, when duly justified, additional data and analysis. Where the Member State has designated a transmission system operator or another entity for this purpose, the regulatory authority shall approve or amend the report.**

2. The report shall ~~include an evaluation of at least~~:

- (a) ~~evaluate the ~~need~~ different types of needs~~ for flexibility, **at least on a seasonal, daily and hourly basis**, to integrate electricity generated from renewable sources in the electricity system. **[This evaluation shall assess, inter alia, different assumptions in respect to electricity market prices, generation and demand];**
- (b) ~~and consider, in particular,~~ the potential of non-fossil flexibility **resources** such as demand ~~side~~-response and **energy storage, including aggregation and interconnection**, to fulfil this need, both at transmission and distribution levels. ~~The report shall distinguish between seasonal, daily and hourly;~~
- (c) **evaluate the barriers for flexibility in the market and propose relevant mitigation measures, [including on possible improvement in markets and system operation services or products]; and**
- (d) **take into account flexibility needs that is expected to be available in other Member States.**

3. The **electricity** transmission and distribution system operators of each Member State shall provide the data and analyses referred to in paragraph 4 that are needed for the preparation of the report referred to in paragraph 1 to [the regulatory authority or, where relevant, the authority or entity designated in paragraph 1]. If duly justified, [the regulatory authority or, where relevant, the authority or entity designated in paragraph 1] may ask the **relevant transmission system operators and distribution system operators to provide additional input to the report, beyond the requirements referred to in paragraph 4.** Relevant transmission or distribution system operators will coordinate with hydrogen and gas sectors system operators in order to gather the relevant information in case needed in application of this article.
4. The ENTSO for Electricity and the EU DSO entity shall coordinate transmission and distribution system operators as regards the data and analyses to be provided in accordance with paragraph 23. In particular, they shall:
- (a) define the type of data and format **of data** that transmission and distribution system operators shall provide to the regulatory authorities or, where relevant, the authority or entity designated in paragraph 1;
 - (b) develop a methodology for the analysis by transmission and distribution system operators of the flexibility needs, taking into account at least all **existing available** sources of flexibility **and in a cost-efficient manner in the different timeframes, including in other Member States;** planned investments ~~at~~ **in** interconnection, **and flexibility at** transmission and distribution level as well as the need to decarbonise the electricity system [in order to meet the Union's 2030 targets for energy and climate and its 2050 climate neutrality objective, in compliance with the Paris Agreement. The methodology shall contain guiding criteria on how to assess the capability of the different flexibility sources to cover the needs.]

5. The ENTSO for Electricity and the EU DSO entity shall closely cooperate with each other regarding the coordination of transmission and distribution system operators **as regards the provision of data and analyses pursuant to paragraph 4.**
6. **By nine months after the entry into force of this Regulation** ~~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, **or, where relevant, the authority or entity designated in paragraph 1,** and the methodology **for the analysis of the flexibility needs** referred to in paragraph 34. 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.
7. The regulatory authorities **or, where relevant, the authority or entity designated in paragraph 1,** shall submit the reports referred to in paragraph 1 to **the European Commission and** 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 **or ,where relevant, the authority or entity designated in paragraph 1, including recommendations on removing barriers to the entry of non-fossil flexibility resources.**

[Among the issues of cross-border relevance, the Agency shall assess:

- a) how to better integrate the flexibility needs analysis referred to in paragraph 1 with the methodology for the European resource adequacy assessments in accordance with Article 23 and the methodology for the Union-Wide Ten Year Network Development Plan, ensuring consistency between them. The results would be taken into account in further revisions of these methodologies according to the relevant EU legislation.

- b) the need for flexibility in the electricity system at Union level and its economically available potential for a period of the next 5 to 10 years;
- c) the potential introduction of further measure to unleash flexibility potential in the electricity markets and system operation;

The European Scientific Advisory Board on Climate Change may, on its own initiative, provide input to ACER on how to ensure compliance with the Union's 2030 targets for energy and climate and its 2050 climate neutrality objective.]
[Based on the role of the ESABCC as per the TEN-E Regulation 2022/869]

[8. The assessment of ACER according to paragraph 7 shall be considered in the methodology for the European resource adequacy assessments in accordance with Article 23(3), and the methodology set for the Ten Year Network Development Plan. ENTSO-E shall update the Union-wide network development plan to include the results of the flexibility needs assessments.

The national assessment of flexibility needs referred to in paragraph 1 shall be considered by transmission and distribution system operators in their network development plans].

Article 19d

Indicative national objective for ~~demand side response and storage~~ **non-fossil flexibility**

1. ~~Based on the report~~ **No later than 6 months after the submission** of the regulatory authority report pursuant to Article 19c(1) **of this Regulation**, each Member State shall define, **based on this report**, an indicative national objective for **non-fossil flexibility, in particular demand side-response and energy storage. Member states may achieve this target by removal of identified market barriers or realise the identified potential of non-fossil flexibility resources**. ~~[considering all non-fossil resources and solutions in all timeframes, including availability of cross-border capacity]~~. 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. **Member States may define provisional indicative objectives before the first submission of the report pursuant to Article 19c(1) of this Regulation.**

[1a. By June 2025, the Commission, after assessing the national indicative objective referred to in paragraph 1 and communicated by the Member States through their integrated national energy and climate plans, shall submit a report to the European Parliament and to the Council assessing the national reports. On the basis of the conclusions of that report, the Commission may draw up a Union strategy on flexibility, with a particular focus on demand response and energy storage, that is consistent with the Union's 2030 targets for energy and climate as defined in Article 2, point (11), of Regulation (EU) 2018/1999 and the climate-neutrality objective laid down in Article 2 of Regulation (EU) 2021/1119.]

Article 19e

Non-fossil flexibility support schemes

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.~~ **Where investments in non-fossil flexibility are insufficient to achieve the indicative national objective or, where relevant, provisional indicative objectives, identified in accordance with Article 19d, Member States may apply non-fossil flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility without prejudice to Articles 12 and 13. [The above mentioned support schemes are to be applied as well while those Member States which apply capacity mechanisms make the necessary adaptations to ensure participation of energy storage and demand response in these schemes according to article 22.1.h) of this Regulation.]**
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.~~ **The possibility for Member States to apply measures pursuant to paragraph 1 shall not preclude them from addressing their indicative targets 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.** **Article 19d by other means.**
3. ~~Member States which do not apply a capacity mechanism may apply flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility such as demand side response and storage.~~

Article 19f

Design principles for **non-fossil** flexibility support schemes

~~Flexibility support scheme for~~ Non-fossil flexibility such as demand response and storage ~~support schemes~~ applied by Member States in accordance with Article 19e(2) and (3)e(1) shall:

- (a) not go beyond what is necessary to ~~address the~~ *achieve the indicative national objective, or where relevant the provisional indicative objective*, identified flexibility needs ~~in accordance with Article 19d~~ in a cost-effective manner;
- (b) be limited to [new investments] in non-fossil flexibility *resources* such as demand-side response and *energy* storage;
- [(ba) take into consideration locational criteria to ensure that investments in new capacity take place in optimal locations;]
- (c) ~~must~~ not imply starting fossil fuel-based generation located behind the metering point;
- (d) select capacity providers by means of an open, transparent, competitive, *voluntary*, non-discriminatory and cost-effective process;
- (e) prevent undue distortions to the efficient functioning of the electricity markets including preserving efficient operation incentives and price signals and the exposure to price variation and market risk;

- (f) provide incentives for the integration in the electricity market in a market-based and market-responsive way, while avoiding unnecessary distortions of electricity markets as well as taking into account possible system integration costs and grid **congestion and** stability;
- (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 demand response~~ ***the asset delivering the flexibility***;
- (h) apply appropriate penalties to capacity providers which do not respect the minimum level of participation in the market referred to in point (g), or which do not follow efficient operation incentives and ~~prices~~ ***price*** signals ***referred to in point (e)***;
- (i) ~~be open to cross-border participation.~~^{2,4} **[Member States States may decide to open non-fossil flexibility support schemes for resources providing flexibility to cross-border participation.]**

3) RIGH TO ENERGY SHARING – ARTICLE 15A ELECTRICITY DIRECTIVE 2019/944 (LINES 168 TO 198; DOC. ST 14464/23)

- Additions in Council’s General Approach: **bold**
- Deletions in Council’s General Approach: ~~strikethrough~~
- New additions compared to Council’s General Approach: *green*
- New deletions compared to Council’s General Approach: ~~*green*~~
- In brackets the elements where flexibility is required

Article 15a”

Right to energy sharing

1. All [*final customers, in particular*] households, small and medium sized enterprises and public bodies **shall** have the right to participate in energy sharing as active customers, [*within the same bidding zone or a more limited geographical area as determined by the Member State*].
 - ~~(a)~~2. Active customers shall be entitled to share renewable energy between themselves based on private agreements or through a legal entity.
 - ~~(b)~~3. Active customers may ~~use~~ [*appoint a third party as an energy sharing organizer for purposes of communication on the energy sharing arrangements with other relevant entities, such as suppliers and grid operators, including for the settlement of applicable tariffs and charges, taxes or levies. Member States will set the framework to allow for this possibility. The energy sharing agent may provide support at managing and balancing the behind the-meter flexible loads, distributed renewable generation and storage assets that are part of the relevant energy sharing*]

arrangement.] In case the active customer uses, for purposes of facilitating energy sharing, the energy sharing organizer or another third party that owns or manages a storage or renewable energy generation facility [of up to 6 MW] 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,~~ that third party will not be considered an active customer.

The third party shall provide non-discriminatory services and transparent prices, tariffs, and terms of services, and for point (d) Articles 10, 12 and 18 shall apply.

~~(e)~~4. Member States shall ensure that active customers participating in energy sharing:

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

~~(e)~~(b) benefit from all consumer rights and obligations as final customers under this Directive, ~~except in case of~~

(c) are not required to comply with supplier obligations where energy sharing is shared between households with an installed capacity up to 10.8 kW *for single households ~~as specified in the reviewed Renewable Energy Directive 2021/557~~* and up to [50 kW/ 100kW] for multi-apartment blocks ~~using peer-to-peer trading agreements~~ *as specified in the recast Energy Performance of Buildings Directive 2021/802*;

[(d) customers engaged in energy sharing agreements providing for a remuneration are able to register the economic amounts of their transactions, directly or through their energy sharing agent, on the basis of their actual consumption and benefit via a third party from rights provided for in Article 18(1) to (5), and basic contractual rights provided for in Article 10 that are granted to final electricity customers;]

~~(f)~~(e) have access to **voluntary** template contracts with fair and transparent terms and conditions for ~~peer-to-peer trading~~**energy sharing** 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 **with other participants of energy sharing agreements** in accordance with Article 26;

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

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

[~~(h)~~ **notify energy sharing arrangements to the relevant system operators and market participants, including the relevant suppliers either directly or through an energy sharing agent/organizer.**]

~~(i)~~5. Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:

~~(i)~~(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. [**For that purpose, Member States shall endeavour to ensure that relevant operators implement the appropriate IT systems**];

~~(i)~~(b) provide a relevant contact point to:

a) register energy sharing arrangements;

b) **facilitating practical information for energy sharing**;

- c) receive information on relevant metering points, changes in location and participation, and,
 - d) where applicable, validate calculation methods in a clear, transparent and timely manner;;
26. Member States shall ~~take appropriate and non-discriminatory measures to~~ ensure that energy ~~poor and~~ sharing projects owned by public authorities require that at least 20 % of the amount of shared electricity is made accessible to vulnerable ~~households can access energy sharing schemes. Those measures may include financial support measures or~~ energy poor customers or citizens. ~~production allocation quota.~~
7. The Commission shall provide additional guidance to the Member States without increasing administrative burden in order to facilitate a standardised approach with regard to renewable energy sharing and ensure a level playing field for renewable energy communities and citizen energy communities.
8. **This Article shall be without prejudice to the right of customers to choose their supplier in accordance with Article 4 and to applicable national rules for the authorisation of suppliers. [To be read in conjunction with article 4 of Directive 2019/944].**

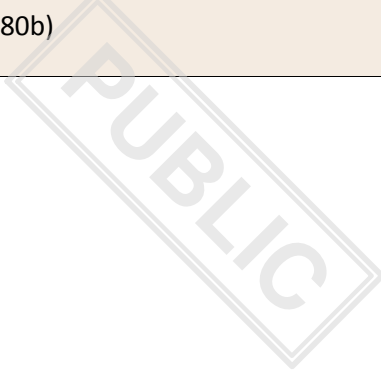
4) DAY AHEAD/INTRADAY AND FORWARD MARKETS, INCLUDING PEAK SHAVING (ARTICLES 7, 7A, 8, 9 & 59 ELECTRICITY REGULATION 2019/943)

Delegations are kindly asked to provide their flexibilities in the following compromise proposals, and in particular in the elements marked in yellow.

Article 7

Article 1, first paragraph, point (2), amending provision, numbered paragraph (80a)				
84a		<p><u>80a. 'intraday market operator' means any NEMO, power exchange or other entity which collects bids and offers for intraday products, or products with essentially the same characteristics as intraday products, from market participants before or after the intraday cross-zonal gate closure time;</u></p>		

Article 1, first paragraph, point (2), amending provision, numbered paragraph (80b)

84b		<p><u>80b. 'intraday market timeframe' means the timeframe of the electricity market from single intraday coupling gate opening time until the latest point in time when intraday trading is allowed in a given bidding zone including time periods after the intraday cross-zonal gate closure time;</u></p>		
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Article 1, first paragraph, point (2), amending provision, numbered paragraph (80c)

84c		<p><u>80c. 'day-ahead market timeframe' means the timeframe of the electricity</u></p>		
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		<u>market from the single day-ahead coupling gate opening time until the time when the single day-ahead coupling results are published;'</u>	PUBLIC	
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	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (3)				
85	(3) Article 7 is amended as follows:	(3) Article 7 is amended as follows:	(3) Article 7 is amended as follows:	(3) Article 7 is amended as follows:
Article 1, first paragraph, point (3)(a)				
86				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
Article 1, first paragraph, point (3)(a), amending provision, numbered paragraph (1)				
87	<p>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</p>	<p>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</p>	<p>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</p>	<p>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</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>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</p> <p><u><i>and the transparency obligations and effective supervision against market manipulation laid down in Regulation ... [REMIT III].</i></u></p>	<p>maximise the efficiency and effectiveness of Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of Union competition law. In their functions relating to electricity trading, transmission system operators and NEMOs, or an entity designated by them, shall be subject to regulatory oversight by the regulatory authorities pursuant to Article 59 of Directive (EU) 2019/944 and ACER pursuant to Articles 4 and 8 of Regulation (EU) 2019/942.</p>	<p>maximise the efficiency and effectiveness of Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of Union competition law. In their functions relating to electricity trading, transmission system operators and NEMOs [, or an entity designated by them,] shall be subject to regulatory oversight by the regulatory authorities pursuant to Article 59 of Directive (EU) 2019/944 and ACER pursuant to Articles 4 and 8 of Regulation (EU) 2019/942</p> <p>and the transparency obligations and effective supervision against market manipulation as laid down in the relevant provisions in Regulation [REMIT II].</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (3)(b)				
88	(b) paragraph 2 is amended as follows:	(b) paragraph 2 is amended as follows:	(b) paragraph 2 is amended as follows:	(b) paragraph 2 is amended as follows:
Article 1, first paragraph, point (3)(b)(i)				
89	(i) point (c) is replaced by the following:	(i) point (c) is replaced by the following:	(i) point (c) is replaced by the following:	(i) point (c) is replaced by the following:
Article 1, first paragraph, point (3)(b)(i), amending provision, first paragraph				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
90	<p>(c) maximise the opportunities for all market participants to participate in cross-zonal and intra-zonal trade in a non-discriminatory way and as close as possible to real time across and within all bidding zones;</p>	<p>(c) maximise the opportunities for all market participants to participate in cross-zonal and intra-zonal trade in a non-discriminatory way and as close as possible to real time across and within all bidding zones;</p>	<p>(c) maximise the opportunities for all market participants to participate in cross-zonal and intra-zonal trade in a non-discriminatory way and as close as possible to real time across and within all bidding zones;</p>	<p>(c) maximise the opportunities for all market participants to participate in cross-zonal and intra-zonal trade in a non-discriminatory way and as close as possible to real time across and within all bidding zones;</p>
Article 1, first paragraph, point (3)(b)(ii)				
91	<p>(ii) the following point (ca) is inserted:</p>	<p>(ii) the following point (ca) is inserted:</p>	<p>(ii) the following point (ca) is inserted:</p>	<p>(ii) the following point (ca) is inserted:</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (3)(b)(ii), amending provision, first paragraph				
92	(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, both for cross-zonal and for intra-zonal trade;	(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, both for cross-zonal and for intra-zonal trade; <u><i>in particular, NEMOs shall submit all orders for day-ahead and intraday products to the single day-ahead and intraday coupling until the latest point in time when day-ahead or intraday trading is allowed in a given bidding zone. NEMOs shall not organise the trading with day-ahead and intraday products, or products with similar characteristics, outside the</i></u>	(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, both for cross-zonal and for intra-zonal trade; at all times between themselves, including after the intraday cross-zonal gate closure. In particular, NEMOs shall submit all orders for day-ahead and intraday products to the single day-ahead and intraday coupling until the latest point in time when day-ahead or intraday trading is allowed in a given bidding zone. NEMOs shall not organise the trading	(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, at all times, both for cross-zonal and for intra-zonal trade. For the day-ahead market, from [one hour before the gate closure time] until the latest point in time where day-ahead trade is allowed, NEMOs shall both submit all orders for day-ahead products or products with same characteristics to the single day-ahead coupling and shall not organise trading with day-ahead products or products with same

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>single day-ahead and intraday coupling. This obligation shall apply to NEMOs and to undertakings which directly or indirectly exercise control or any right over a NEMO;'</u></p>	<p>with day-ahead and intraday products outside the single day-ahead and intraday coupling. This obligation shall apply to NEMOs, and where appropriate to undertakings which directly or indirectly exercise control or any right over a NEMO and to undertakings which are directly or indirectly exercise control or are controlled by a NEMO.</p>	<p>characteristics outside the single day-ahead coupling.</p> <p>For the intraday market, from the single intraday coupling gate opening time until the latest point in time when intraday trading is allowed in a given bidding zone, NEMOs shall both submit all orders for intraday products and products with same characteristics to the single intraday coupling and NEMOs shall not organise trading with intraday products or products with same characteristics outside the intraday coupling.</p> <p>This obligation shall apply to NEMOs and to undertakings which directly or indirectly exercise control over a NEMO</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				and to undertakings which are directly or indirectly controlled by a NEMO.
Article 1, first paragraph, point (3)(b)(ia)				
92a		<u>(ia) point (f) is replaced by the following:</u>		
Article 1, first paragraph, point (3)(b)(ia), amending provision, first paragraph				
92b		<u>'(f) be transparent and, where applicable, provide information by generation units while at the same time protecting the confidentiality of commercially</u>		(f) be transparent [and, where applicable, provide information by generation units] while at the same time protecting the confidentiality of commercially

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>sensitive information and ensuring trading occurs in an anonymous manner;';</u>		sensitive information and ensuring trading occurs in an anonymous manner;

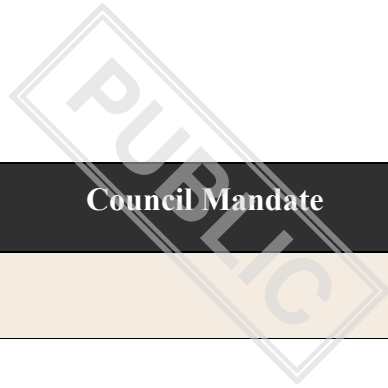
+ RELATED ASPECTS IN ARTICLE 59 IN REGULATION 2019/943, TO BE SEEN AS WELL TOGETHER WITH TEXT IN ART. 9

PEAK SHAVING Article 7a – Regulation

76				
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	<p>(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;</p>	<p>(72) ‘peak hour’ means an hour <u>of the day, based on the forecasts of transmission system operators and, where applicable, nominated electricity market operators,</u> with the highest electricity consumption combined with a low level of electricity generated from renewable energy sources, taking cross-zonal exchanges into account;</p>	<p>(72) ‘peak hour’ means an hour with the highest where, based on the forecasts of transmission system operators and, where applicable, nominated electricity market operators, the gross electricity consumption combined with a low level of electricity generated from renewable energy sources or the day-ahead wholesale electricity price is expected to be the highest, taking cross-zonal exchanges into account;</p>	<p>(72) ‘peak hour’ means an hour where, based on the forecasts of transmission system operators and, where applicable, nominated electricity market operators, the gross electricity consumption [or the gross consumption of electricity generated from sources other than renewable sources as referred to in Article 2(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council] or the day-ahead wholesale electricity price are expected to be the highest, taking cross-zonal exchanges into account;</p>
<p>Article 1, first paragraph, point (2), amending provision, numbered paragraph (73)</p>				

77	(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption at peak hours determined by the transmission system operator;	(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption <u>from the grid</u> at peak hours determined by the transmission system operator;	(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption at peak hours determined by the request of the transmission system operator;	(73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption from the grid at peak hours at the request of the system operator;
Article 1, first paragraph, point (2), amending provision, numbered paragraph (74)				
78	(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to the transmission system operators;	(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to the transmission system operators;	(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to the transmission system operators;	(74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to system operators;




	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (4), amending provision, first paragraph				
94	Article 7a	Article 7a	Article 7a	Article 7a
Article 1, first paragraph, point (4), amending provision, second paragraph				
95	Peak shaving product	Peak shaving product	Peak shaving product	Peak shaving product
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1)				
96				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>1. Without prejudice to Article 40(5) and 40(6) <u>By December 2024, ACER, after consulting ENTSO for Electricity, and the EU DSO Entity, shall carry out an assessment</u> of the Electricity Directive, transmission <u>possibility of</u> system operators may <u>to</u> procure peak shaving products in order to achieve a reduction of electricity demand <u>and price</u> during peak hours. <u>That assessment shall take into consideration the need for peak shaving products not to distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. That assessment shall also take into account specific</u></p>	<p>1. Where a regional or Union-wide electricity price crisis is declared in accordance with Article 66a of Directive (EU) 2019/944, and without prejudice to Article 40(5) and 40(6) of the Electricity Directive, transmission (6) of that Directive, Member States, may authorise system operators may to procure peak shaving products in order to achieve a reduction of electricity demand during in peak hours. Such procurement shall be limited to the duration set out in the decision adopted pursuant to Article 66a(1) of Directive (EU) 2019/944.</p>	<p>1. Where a regional or Union-wide electricity price crisis is declared in accordance with Article 66a of Directive (EU) 2019/944, and without prejudice to Article 40(5) and 40(6) of Electricity Directive, Member States may request system operators to propose the procurement of peak shaving products in order to achieve a reduction of electricity demand during peak hours. Such procurement shall be limited to the duration set out in the decision adopted pursuant to Article 66a (1) of Directive (EU) 2019/944.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>national developments and assess the possibility of procuring peak shaving products under normal circumstances on the one hand and during electricity price crisis declared in accordance with Article 66a of Directive ... [revised EMD Directive] on the other. The Commission shall, where appropriate, submit a legislative proposal to amend this Regulation in order to introduce peak shaving products outside electricity price crisis situations.</i></u></p>		
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2)				
97				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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:</p>	<p>21a. Transmission <u>Where the Commission has adopted a decision declaring an electricity price crisis pursuant to Article 66a of Directive ... [revised EMD Directive] and taking into account the results of the Agency's assessment as referred to in paragraph 1, or existing assessments until the latter is carried out,</u> system operators seeking <u>may, during the application period of that decision, procure peak shaving products in order to achieve a reduction of electricity demand and price in peak hours.</u></p> <p><u>Where system operators seek</u> to procure a peak shaving product, <u>they</u> shall submit a proposal</p>	<p>2. Transmission 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:</p>	<p>2. When requested pursuant to paragraph 1, system operators shall, after consulting stakeholders, 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 for its approval.</p> <p>2a. The concerned national regulatory authority shall assess the proposal in terms of achieving a reduction of electricity demand and impact on wholesale electricity price during peak hours. The</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>setting out the dimensioning and conditions for the procurement <u>and activation</u> of the peak shaving product to the regulatory authority of the Member State concerned. The proposal of the transmission<u>relevant</u> system operator shall comply with the following requirements:</p>		<p>assessment shall take into consideration the need for the peak shaving product not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. Based on this assessment, the regulatory authority may request the system operator to amend the proposal.</p> <p>2b. The proposal for peak shaving product shall comply with the following requirements:</p>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (a)				
98				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>(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;</p>	<p>(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 <u>the market impact of the peak shaving product, its expected costs and benefits and</u> 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, <u>such as energy storage</u>. The dimensioning of the peak shaving product shall</p>	<p>(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, of its impact on the market and of its expected costs and benefits. 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, and the wholesale price impact of the avoided dispatch. The dimensioning of the peak shaving product shall</p>	<p>(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 without endangering grid stability, of its impact on the market and of its expected costs and benefits. The dimensioning shall take into account the forecast of demand, the forecast of electricity generated from renewable energy sources, the forecast of other sources of flexibility in the system, such as energy storage, and the wholesale price impact of the avoided dispatch. The dimensioning of the peak shaving product shall be limited to ensure that forecasted costs do not exceed the expected benefits of the product;</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>be <u>transparent, carried out after consulting market participants</u> and limited to ensure that the <u>forecasted costs do not exceed the</u> expected benefits of the product <u>and</u> do not exceed the forecasted costs <u>increase the greenhouse gas emissions of the energy system at the moment of its activation</u>;</p>	<p>be limited to ensure that forecasted costs do not exceed the expected benefits of the product do not exceed the forecasted costs;;</p>	
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (b)				
99	(b) the procurement of a peak shaving product shall be based on objective, transparent, non-discriminatory criteria and be limited to demand response;	(b) the procurement of a peak shaving product shall be based on objective, <u>market-based</u> , transparent, non-discriminatory criteria and be limited to demand response; <u>it shall not exclude</u>	(b) the procurement of a peak shaving product shall be based on objective, transparent, non-discriminatory criteria and be limited to demand response;	(b) the procurement of a peak shaving product shall be based on objective, transparent, market-based , non-discriminatory criteria and be limited to demand response; It


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>participating assets from accessing other markets;</u>	PUBLIC	shall not exclude participating assets from accessing other markets;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (c)				
100	(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;	(c) the procurement of the peak shaving product shall take place using a competitive bidding process, <u>which may be continuous,</u> with selection based on the lowest cost of meeting pre-defined technical and environmental criteria, <u>and shall allow the effective participation of small consumers, directly or through aggregation;</u>	(c) the procurement of the peak shaving product shall take place using a competitive bidding process, which can be continuous, with selection based on the lowest cost of meeting pre-defined technical and environmental criteria;	(c) the procurement of the peak shaving product shall take place using competitive bidding, which can be continuous, with selection based on the lowest cost of meeting pre-defined technical and environmental criteria and shall allow the effective participation of consumers, directly or through aggregation;

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (ca)				
100a		<u>(ca) the minimum bid size shall be 100 kW, including through aggregation;</u>		(ca) the minimum bid size shall not be higher than 100 kW, including through aggregation;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (d)				
101	(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;	(d) contracts for a peak shaving product shall not be concluded more than two days <u>a week-ahead</u> before its activation and the contracting period shall be no longer than one day;	(d) contracts for a peak shaving product shall not be concluded more than two days a week before its activation and the contracting period shall be no longer than one day;;	(d) contracts for a peak shaving product shall not be concluded more than a week before its activation;


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (e)				
102	(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;	(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;	(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;	(e) the activation of the peak shaving product shall not reduce cross-zonal capacity;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (f)				
103	(f) the activation of the peak shaving product shall take place after the closure of the day-ahead market and before the start of the balancing market;	(f) the activation of the peak shaving product shall take place after the closure of the day-ahead market and before the start of the balancing market;	(f) the activation of the peak shaving product shall take place after the closure of before or within the day-ahead market and before the start of the balancing market may be done based on a predefined	(f) the activation of the peak shaving product shall take place before or within the day-ahead market and may be done based on a predefined electricity price

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			electricity price;	
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), point (g)				
104	(g) the peak shaving product shall not imply starting generation located behind the metering point.	(g) the peak shaving product shall not imply starting generation located behind the metering point.	(g) the peak shaving product shall not imply starting fossil fuel-based generation located behind the metering point.	(g) the activation of peak shaving product shall not imply starting fossil fuel-based generation located behind the metering point, [avoiding the increasing of greenhouse gas emissions].
Article 1, first paragraph, point (4), amending provision, numbered paragraph (3)				
105	3. The actual reduction of consumption resulting from the	3. The actual reduction of consumption resulting from the	3. The actual reduction of consumption resulting from the	3. The actual reduction of consumption resulting from the

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p> <p>Transmission system operators shall develop a baseline methodology in consultation with market participants and submit it to the regulatory authority.</p>	<p>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.</p> <p>Transmission operators <u>Where a system operator decides to procure a peak shaving product in accordance with paragraph 2, second subparagraph of this Article, it</u> shall develop a baseline methodology in consultation with market participants and <u>in compliance with Article 23 of Directive (EU) 2019/944 and the procedures set out in the network code adopted pursuant to Article 59 and</u> submit it to the regulatory authority <u>for approval. Where the proposal</u></p>	<p>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 system operators 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.</p>	<p>activation of a peak shaving product shall be measured against a baseline, reflecting the expected electricity consumption without the activation of the peak shaving product. Where a system operator procures a peak shaving product, it shall develop a baseline methodology in consultation with market participants and, where relevant, taking into account the Implementing Act adopted pursuant to Article 59.1.e, and submit it to the regulatory authority for its approval.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>referred to in paragraph 2, second subparagraph of this Article, does not meet the requirements laid down in that subparagraph, the regulatory authority shall request the system operator to amend the proposal.</u></p>		
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4)				
106	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	<i>deleted</i>	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	4. Regulatory authorities shall approve the proposal of the 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

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>transmission system operators to amend the proposal where it does not meet the requirements set out in these paragraphs.</p>		<p>transmission system operators to amend the proposal where it does not meet the requirements set out in these paragraphs.</p>	<p>operators to amend the proposal where it does not meet the requirements set out in these paragraphs.</p> <p>5. By [six] months after the end of a crisis, the Agency shall assess the impact of using peak shaving products on the European electricity market, after consulting stakeholders. The assessment shall take into consideration the need for these products not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. The Agency may issue recommendations that national regulatory authorities shall take</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p>into account in their assessment pursuant to paragraph 2a.</p> <p>6. By June 2025, the Agency shall assess the impact of developing peak shaving products on the European electricity market under normal market circumstances, after consulting stakeholders. The assessment shall take into consideration the need for these products not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. Based on this assessment, the Commission may submit a legislative proposal to amend this</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				Regulation in order to introduce peak shaving products outside electricity price crisis situations.

Article 8 - Regulation

111	(5) Article 8 is amended as follows:	(5) Article 8 is amended as follows:	(5) Article 8 is amended as follows:	(5) Article 8 is amended as follows:
Article 1, first paragraph, point (5)(a)				
112				

	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
Article 1, first paragraph, point (5)(a), amending provision, first paragraph				
113	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.	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 <u>From</u> 1 January 2028 <u>2026</u> , the intraday cross-zonal gate closure time shall <u>not be earlier than 30 minutes ahead of real time, provided that this measure does not lead to an increase in</u>	1. 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 <u>2026</u> , the intraday cross-zonal gate closure time shall be at the earliest 30 minutes ahead of real time. The regulatory authority of a given Member State	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. From 1 January 2026, the intraday cross-zonal gate closure time shall not be more than 30 minutes ahead of real time. The regulatory authorities of a Member State may, at the request

		<p><u>greenhouse gas emissions. Regulatory authorities may, be at the earliest request of the relevant transmission system operator, grant a derogation from that requirement, until 1 January 2029. The request shall include:</u></p> <p><u>(a) an impact assessment, prepared in cooperation with NEMOs, and taking into account feedback from market participants, in accordance with Article 9 of Regulation (EU) 2015/1222, demonstrating the negative impacts of such a measure on the security</u></p>	<p>may, at the request of the relevant transmission system operator, grant a derogation from the requirement in the first subparagraph, until 1 January 2029. Such request shall be submitted to the regulatory authority concerned and shall include:</p> <p>a) an impact assessment that demonstrates the need for the derogation, based on a risk for security of supply and taking into account feedback from market participants and</p>	<p>of the relevant transmission system operator, grant a derogation from the requirement in the first subparagraph until 1 January 2029. The request shall be submitted to the regulatory authority concerned and shall include:</p> <p>(a) an impact assessment, taking into account feedback from relevant NEMOs and market participants, [in accordance with Article 9 of Regulation (EU) 2015/1222]. demonstrating the negative impacts of such a measure on the security of</p>
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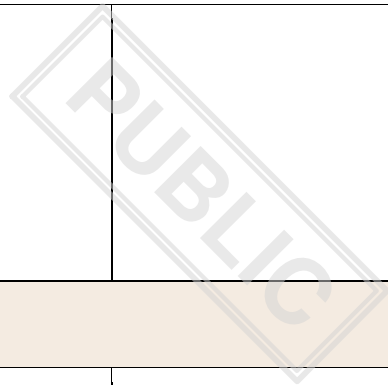
		<p><u>of the national electricity system, cost-efficiency, integration of renewable energy and greenhouse gas emissions; and</u></p> <p><u>(b) an action plan aiming to shorten the intraday cross-zonal gate closure time to 30 minutes by 1 January 2029.</u></p> <p><u>Regulatory authorities may, at the request of the relevant transmission system operator, grant a further derogation from the requirement referred to in the first subparagraph by a</u></p>	<p>NEMOs, and</p> <p>b) an action plan to shorten the intraday cross-zonal gate closure time to 30 minutes by no later than 1 January 2029.</p> <p>The regulatory authority may, at the request of the relevant transmission system operator, grant a further derogation from the requirement in the first subparagraph by a maximum of three years counting from expiry of the period referred to in the second</p>	<p>supply in the national electricity system, cost-efficiency including in relation to existing balancing platforms in accordance with Regulation (EU) 2017/2195, integration of renewable energy and greenhouse gas emissions; and</p> <p>(b) an action plan aiming to shorten the intraday cross-zonal gate closure time to 30 minutes by no later than 1 January 2029.</p> <p>The regulatory authority may, at the request of the relevant transmission</p>
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		<p><u>maximum of two years counting from the expiry of the period referred to in the second subparagraph. The request from the relevant transmission system operator shall be submitted to the regulatory authority of the requesting transmission system operator, the ENTSO for Electricity and ACER by 1 January 2029 and shall include:</u></p> <p><u>(a) a new impact assessment justifying the need for a further derogation, based on risks to the security of the national electricity</u></p>	<p>subparagraph. The request from the transmission system operator shall be submitted to the national regulatory authority of the requesting transmission system operator, the ENTSO for Electricity and ACER no later than 1 January 2028 and shall include:</p> <p>(a) a new impact assessment justifying the need for a further derogation, based on risks to security of supply, taking into account feedback from market participants and</p>	<p>system operator, grant a further derogation from the requirement referred to in the first subparagraph by a maximum of [2] // [3] years counting from the expiry of the period referred to in the second subparagraph. The request from the relevant transmission system operator shall be submitted to the regulatory authority of the requesting transmission system operator, the ENTSO for Electricity and ACER no later than [30 June 2028] and shall include:</p> <p>(a) a new impact</p>
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		<p><u>system, cost-efficiency, the integration of renewable energy and greenhouse gas emissions, taking into account feedback from market participants and NEMOs; and</u></p> <p><u>(b) a revised action plan to shorten the intraday cross-zonal gate closure time to 30 minutes ahead of within two years of the expiry of the first derogation period.</u></p> <p><u>ACER shall issue an opinion on the cross-border impact of the derogations referred to in the second and third subparagraphs within six</u></p>	<p>NEMOs,</p> <p>(b) a revised action plan to shorten the intraday cross-zonal gate closure time to 30 minutes by the date for which extension is requested and no later than the date requested for the derogation.</p> <p>ACER shall issue an opinion regarding the cross-border impact of a further derogation as referred to in the third subparagraph within 6 months of receipt of a request for such further derogation. The</p>	<p>assessment justifying the need for a further derogation, based on risks to the security of supply in the national electricity system, cost-efficiency, the integration of renewable energy and greenhouse gas emissions, taking into account feedback from market participants and NEMOs; and</p> <p>(b) a revised action plan to shorten the intraday cross-zonal gate closure time to 30 minutes by the date for which extension is requested and no later than the date requested for the derogation.</p>
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		<p><u>months of receipt of a request for such derogations. The regulatory authority concerned shall take that opinion into account before deciding upon a request for a derogation.</u></p> <p><u>By 1 December 2027, the Commission, after consulting NEMOs, ENTSO for Electricity, ACER and relevant stakeholders, shall submit a report to the European Parliament and to the Council assessing the feasibility and practical solutions towards further decreasing the cross-zonal gate closure time in</u></p>	<p>concerned regulatory authority shall take these opinions into account before deciding upon a request for further derogation.'</p>	<p>ACER shall issue an opinion on the cross-border impact of a further derogation within six months of receipt of a request for such derogation. The regulatory authority concerned shall take that opinion into account before deciding upon a request for further derogation.</p> <p>By 1 December 2027, the Commission, after consulting NEMOs, ENTSO for Electricity, ACER and relevant stakeholders, shall submit a report to the European</p>
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		<p><u>order to allow market participants to trade energy as close to real time as possible. The report shall consider the impacts on the electricity system security, the cost-efficiency, the benefits to the integration of renewable energy and to the reduction of greenhouse gas emissions.’;</u></p>	<p>PUBLIC</p>	<p>Parliament and to the Council assessing the impact of the implementation of the decreasing of the cross-zonal gate closure time established in this Article and the feasibility and practical solutions towards further decreasing it in order to allow market participants to trade energy as close to real time as possible. The report shall consider the impacts on the electricity system security, the cost-efficiency, the benefits to the integration of renewable energy and to the reduction of greenhouse gas emissions.;</p>
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Article 1, first paragraph, point (5)(b)				
114	(b) paragraph 3 is replaced by the following:	(b) paragraph 3 is replaced by the following:	(b) paragraph 3 is replaced by the following:	(b) paragraph 3 is replaced by the following:
Article 1, first paragraph, point (5)(b), amending provision, first paragraph				
115	NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size,	NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size,	3. NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size,	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.	with minimum bid sizes of 100kW <u>100 kW</u> or less, to allow for the effective participation of demand-side <u>demand</u> response, energy storage and small-scale renewables including direct participation by customers, <u>including through aggregation.</u> ;	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.’	with minimum bid sizes of 100 kW or less, to allow for the effective participation of demand response, energy storage and small-scale renewables including direct participation by customers, as well as through aggregation.’;
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Article 9 & 59 - Regulation


79	(75) ‘virtual hub’ means a non-physical region covering more than one bidding zone for which an index price is set in application of a methodology;	<i>deleted</i>	(75) ‘virtual hub’ means a non-physical region covering more than one bidding zone for which an index a reference price is set in application of a methodology;	(75) ‘regional virtual hub’ means a non-physical region covering more than one bidding zone for which a reference price is set in application of a methodology;
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	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (6)				
116	(6) Article 9 is replaced by the following:	(6) Article 9 is replaced by the following:	(6) Article 9 is replaced by the following:	(6) Article 9 is replaced by the following:

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (6), amending provision, first paragraph				
117	Article 9	Article 9	Article 9	Article 9
Article 1, first paragraph, point (6), amending provision, second paragraph				
118	Forward markets	Forward markets	Forward markets	Forward markets
Article 1, first paragraph, point (6), amending provision, numbered paragraph (-1)				
118a				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>-1. By ... [six months after the date of entry into force of this amending Regulation], transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow market participants, including owners of power-generating facilities using renewable energy, to hedge price risks across bidding zone borders. Long-term transmission rights shall be allocated, in accordance with Regulation (EU) 2016/1719, on a regular basis, in a transparent, market based and non-discriminatory manner, with a range of maturities of up to at least three years ahead. The frequency of allocation of</u></p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-45deg);">PUBLIC</p>	<p>1. In accordance with Regulation (EU) 2016/1719, transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow market participants, including owners of power-generating facilities using renewable energy, to hedge price risks, unless an assessment of the forward market on the bidding zone borders performed by the relevant competent regulatory authorities shows that there are sufficient hedging opportunities in the concerned bidding zones.</p> <p>2. Long-term transmission rights shall be allocated, on a regular basis, in a transparent, market</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>the long-term cross-zonal capacity shall support the efficient functioning of the forward market. The transmission system operators shall develop an approach aiming to increase the volume of cross-zonal capacities in forward markets and liquidity.</i></u></p>		<p>based and non-discriminatory manner through a single allocation platform. The frequency of allocation and the maturities of the long-term cross-zonal capacity shall support the efficient functioning of the forward market.</p>
<p>Article 1, first paragraph, point (6), amending provision, numbered paragraph (-1a)</p>				
118b		<p><u><i>-1a. By ... [12 months after the date of entry into force of this amending Regulation], the Commission, after consulting ENTSO for Electricity and relevant market stakeholders, shall conduct an assessment of</i></u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>the possible implementation of practical solutions addressing hedging needs of market parties. That assessment shall consider at least the following:</i></u></p> <p><u><i>(a) the frequency of auctions for long-term transmission rights;</i></u></p> <p><u><i>(b) adequate product maturities for transmission rights extended up to at least three years;</i></u></p> <p><u><i>(c) the development of a secondary market;</i></u></p> <p><u><i>(d) adoption of products such as financial transmission rights obligations;</i></u></p> <p><u><i>(e) the improvement of investors' certainty and</i></u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>consumer price stability;</u></p> <p><u>(f) process on full cost-recovery to handle any financial risks and losses arising from these additional measures ensured by the regulatory authority;</u></p> <p><u>(g) the timeline for implementation.</u></p>		
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1)				
119	<p>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</p>	<p>1. By 1 December 2024 the... <u>[18 months after the date of entry into force of this amending Regulation], the Commission, after consulting ACER,</u> ENTSO for Electricity</p>	<p>1. By 1 December 2024 the ENTSO for Electricity shall submit to ACER, design of the Union's forward market shall submit to ACER, after having consulted ESMA, a proposal for the establishment of</p>	<p>3. [The design of the Union's forward market shall comprise the necessary tools to improve the ability of market participants to hedge price risks in the</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>market. The proposal shall:</p>	<p><u>and ESMA, including other relevant stakeholders,</u> shall submit to ACER, after having consulted ESMA, a proposal for the European Parliament <u>and to the Council an assessment of the impact of</u> the establishment of regional virtual hubs for the forward market <u>on the functioning of the electricity markets and where appropriate revise the Commission Regulation (EU) 2016/1719 in accordance with Article 59(1).</u> The impact assessment. The proposal shall <u>focus, inter alia, on:</u></p>	<p>regional virtual hubs for the forward market. The proposal shall be based on regional virtual hubs supported by at least long-term transmission rights issued by transmission system operators, allowing price risk hedging across bidding zones.</p>	<p>internal electricity market.]</p> <p>4. Within [9] months from the entry into force of this amending Regulation, the Commission shall, after having consulted relevant stakeholders, assess the impact of possible measures to achieve the objective under paragraph 3 above. This assessment shall inter alia cover:</p> <p>(a) possible changes to the frequency of allocation for long-term transmission rights;</p> <p>(b) possible changes to the maturities of these long-term transmission rights, in particular maturities extended up to at least</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			PUBLIC	<p>three years;</p> <p>(c) possible changes to the nature of these long-term transmission rights;</p> <p>(d) ways to strengthen the secondary market; and</p> <p>(e) the [possible] introduction of regional virtual hubs for the forward market.</p>
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1), point (a)				
119a		<u><i>(-a) determining the impact of regional virtual hubs on at least the forward market, transmission system operators.</i></u>	2. 24 months after [the entry into force of this Regulation] the Commission shall, after completing an impact	5. As regards regional virtual hubs for the forward market, the [assessment] under paragraph 4 above shall cover the following

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>market participants and end-consumers as well as the potential benefits and drawbacks that regional virtual hubs would bring as compared to the existing zonal model;</u></p>	<p>assessment, adopt an implementing act in accordance with Article 59, that establishes the design referred to in paragraph 1. This implementing act shall in particular:</p>	<p>elements:</p>
<p>Article 1, first paragraph, point (6), amending provision, numbered paragraph (1a)</p>				
120	<p>(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;</p>	<p>(a) define the <u>defining the adequate</u> geographical scope of the <u>regional</u> virtual hubs for the forward market, including the bidding zones constituting these hubs <u>and specific situations of bidding zones belonging to two or more virtual hubs</u>, aiming to maximise the price correlation</p>	<p>(a) include a methodology to define the geographical scope of the regional 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</p>	<p>(a) the adequate geographical scope of the regional virtual hubs, including the bidding zones that would constitute these hubs and specific situations of bidding zones belonging to two or more virtual hubs, aiming to maximise the price correlation between the reference prices and</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		between the reference prices and the prices of the bidding zones constituting <u>regional</u> virtual hubs;	virtual hubs;	the prices of the bidding zones constituting regional virtual hubs;
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1), point (aa)				
120a		<u>(aa) giving due consideration to the level of electricity interconnectivity of Member States, in particular of those Member States below the interconnection targets for 2020 and 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999;</u>		(b) the level of electricity interconnectivity of Member States, in particular of those Member States below the interconnection targets for 2020 and 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999;

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1b)				
121	(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) include evaluating a methodology for the calculation of the reference prices for the <u>regional</u> virtual hubs for the forward market, aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a <u>regional</u> virtual hub; such methodology shall be applicable to all virtual hubs and based on predefined objective criteria;	(b) include a methodology for the calculation of the reference prices for the regional virtual hubs for the forward market , aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a regional virtual hub; such methodology shall be applicable to all virtual hubs and based on predefined objective criteria;	(c) the methodology for the calculation of the reference prices for the regional virtual hubs for the forward market, aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a regional virtual hub;
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1b), point (a)				
122				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	(c) include a definition of financial long-term transmission rights from bidding zones to the virtual hubs for the forward market;	(c) include <u>including</u> a definition of financial long-term transmission rights from bidding zones to the <u>regional</u> virtual hubs for the forward <u>as financial obligations to enable participants to hedge their exposure to positive and negative price spreads, including as regards to volumes and maturities, and the need to offer trading of long-term transmission rights between each bidding zone and the regional virtual hub;</u>	(c) include a definition of financial long-term transmission rights from between bidding zones to the <u>and the regional</u> virtual hubs for the forward as <u>financial obligations to enable participants to hedge their exposure to positive and negative price spreads, including as regards to volumes and maturities;</u>	(d) the possibility for bidding zones to form part of more than one regional virtual hub;
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1b), point (b)				
123	(d) maximise the trading	(d) <u>how to</u> maximise the trading	(d) maximise the trading	(e) the way to maximise trading

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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.	opportunities for hedging products referencing the <u>regional</u> virtual hubs for the forward market as well as for long term transmission rights from bidding zones to <u>regional</u> virtual hubs.;	opportunities for hedging products referencing the regional virtual hubs for the forward market as well as for long term transmission rights from bidding zones to regional virtual hubs.; and	opportunities for hedging products referencing the regional virtual hubs for the forward market as well as for long term transmission rights from bidding zones to regional virtual hubs;
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1b), point (c)				
123a		<u>(da) specifying how the single allocation platform referred to in paragraph 3 shall offer allocation and facilitate trading of long-term transmission rights;</u>	(e) specify how the single allocation platform referred to in paragraph 3 shall offer allocation and facilitate trading of long-term transmission rights.	(f) the ways to ensure that the single allocation platform referred to in paragraph 2 shall offer allocation and facilitate trading of long-term transmission rights.

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (6), amending provision, numbered paragraph (1), point (db)				
123b		<u>(db) including an indicative implementation process.</u>		
Article 1, first paragraph, point (6), amending provision, numbered paragraph (2)				
124	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	<i>deleted</i>	<i>deleted</i>	6. Based on the outcome of this assessment, the Commission shall, within 24 months from the entry into force of this amending Regulation, adopt an implementing act in accordance with Article 59(1) to further detail the specific measures and tools to achieve the objectives in paragraph 3 and their precise

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	proposal shall be published on ACER's website.			features.
<i>Article 1, first paragraph, point (6), amending provision, numbered paragraph (3)</i>				
125	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 <u>act as an entity offering allocation and facilitating trading of long-term transmission rights on behalf of the transmission system operators. It shall</u> 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 transmission system operators. It shall have a legal form as referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council ¹ .	7. 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 transmission system operators. It shall have a legal form as referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council.

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<hr/> <p>1. Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (OJ L 169, 30.6.2017, p. 46).</p>	
Article 1, first paragraph, point (6), amending provision, numbered paragraph (4)				
126	4. The single allocation platform shall:	4. The single allocation platform shall:	<i>deleted</i>	<i>deleted</i>
Article 1, first paragraph, point (6), amending provision, numbered paragraph (4), point (a)				
127	(a) offer trading of long-term	(a) offer trading of long-term		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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;	transmission rights between each bidding zone and, <u>where relevant, regional</u> 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;	<i>deleted</i>	<i>deleted</i>
<i>Article 1, first paragraph, point (6), amending provision, numbered paragraph (4), point (b)</i>				
128	(b) allocate long-term cross-zonal capacity on a regular basis and in a transparent, market-based and non-discriminatory manner; the frequency of allocation of the long-term	(b) allocate long-term cross-zonal capacity on a regular basis and in a transparent, market-based and non-discriminatory manner; the frequency of allocation of the long-term	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	cross-zonal capacity shall support the efficient functioning of the forward market;	cross-zonal capacity shall support the efficient functioning of the forward market;		
<i>Article 1, first paragraph, point (6), amending provision, numbered paragraph (4), point (c)</i>				
129	(c) offer trading of financial transmission rights that shall allow holders of these financial transmission rights to remove exposure to positive and negative price spreads, and with frequent maturities of up to at least three years ahead.	(c) offer trading of financial transmission rights that shall allow holders of these financial transmission rights to remove exposure to positive and negative price spreads, and with frequent maturities of up to at least three years ahead.	<i>deleted</i>	<i>deleted</i>
<i>Article 1, first paragraph, point (6), amending provision, numbered paragraph (5)</i>				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
130	<p>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</p>	<p>5. Where a regulatory authority, <u>on the basis of the assessment referred to in paragraph 1 of this Article</u> 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 <u>in Article 4(1), point (15), of Directive (EU) 2014/65, regulatory authorities</u> (15), it may require power exchanges or transmission system operators to implement additional measures, such as market-making activities, to improve the</p>	<p>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) point (15) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council¹, 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</p>	<p>8. 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 point (15) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council¹, 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.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>liquidity of the forward market. Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) 648/2012 No 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. -2</p>	<p>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.</p> <p>_____</p> <p>1. Directive 2014/65/EU of the</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).</p>	
<p>Article 1, first paragraph, point (6), amending provision, numbered paragraph (5a)</p>				
130a			<p>6. Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) 648/2012 of the European Parliament and of the Council¹ and 600/2014 of the European Parliament and of the Council², market operators may develop forward hedging products, including long-term</p>	<p>9. Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) 648/2012 of the European Parliament and of the Council and 600/2014 of the European Parliament and of the Council, market operators may develop forward hedging products, including long-term forward hedging products, to</p>


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>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.</p> <hr/> <p>1. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).</p> <p>2. Regulation (EU) No 600/2014 of the European Parliament and of the</p>	<p>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.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84)	
Article 1, first paragraph, point (13)				
207	(13) in Article 59 (1), point (b) is replaced by the following:	(13) in Article 59 (1), point (b) is replaced by the following:	(13) in Article 59 (1), point (b) is replaced by the following:	(13) in Article 59 (1), point (b) is replaced by the following:
Article 1, first paragraph, point (13), amending provision, first paragraph				
208	“(b) , capacity-allocation and congestion- management rules pursuant to Article 6 of	“(b) , capacity-allocation and congestion- management rules pursuant to Article 6 of	“(b) , capacity-allocation and congestion- management rules pursuant to Article 6 of	“(b) , capacity-allocation and congestion- management rules pursuant to Article 6 of

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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</p>	<p>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 <i>including the possibility of being operated by a single entity</i>, 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</p>	<p>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 regional virtual hubs for the forward market, the allocation and facilitation of trading of financial long-term transmission rights by the single allocation platform, cross-zonal</p>	<p>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 [<i>including the possibility of being operated by a single entity</i>], the firmness of allocated cross-zonal capacity, congestion income distribution, the [<i>details and specific features of the tools referred to in Article 9(3) by reference to the elements specified in paragraphs (4) and (5) thereof</i>], the allocation and facilitation of trading of</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	congestion management cost recovery;; ”	congestion management cost recovery;” ”	transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery;” ”	financial long-term transmission rights by the single allocation platform as well as the frequency, maturity and specific nature of such long-term transmission rights, cross-zonal transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery; ”
Article 1, first paragraph, point (13a)				
208a		(13a) in Article 59(2), point (a)		(13a) in Article 59(2), point (a)

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>is replaced by the following:</u>		is replaced by the following:
Article 1, first paragraph, point (13a), amending provision, first paragraph				
208b		<p>"</p> <p><u>(a) network connection rules including rules on the connection of transmission-connected demand facilities, transmission-connected distribution facilities and distribution systems, connection of demand units used to provide demand response, requirements for grid connection of generators and other system users, requirements for high-voltage direct current grid</u></p>		<p>(a) network connection rules including rules on the connection of transmission-connected demand facilities, transmission-connected distribution facilities and distribution systems, connection of demand units used to provide demand response, requirements for grid connection of generators [and other system users], requirements for high-voltage direct current grid connection, requirements for direct current-connected power park modules</p>

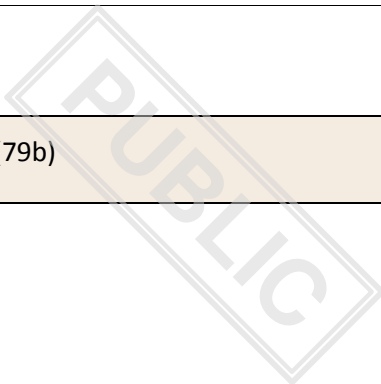
	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>connection, requirements for direct current-connected power park modules and remote-end high-voltage direct current converter stations, and operational notification procedures for grid connection;'</u>		and remote-end high-voltage direct current converter stations, and operational notification procedures for grid connection;' "

5) Access tariffs; congestion income (transmission access guarantee, TAG); information and cooperation between Transmission System Operators (TSOs) and Distribution System Operators (DSOs). (Articles 18, 19, 50, 57 Electricity Regulation 2019/943 and Articles 31, 33 Electricity Directive 2019/944)

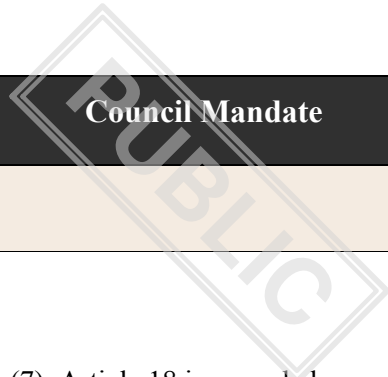
Delegations are kindly asked to provide their flexibilities in the following compromise proposals, and in particular in the elements marked in **yellow**.

Article 18 - Regulation

Article 1, first paragraph, point (2), amending provision, numbered paragraph (79a)				
83a		<p><u>79a. 'power control system' or 'PCS' means a system or device which electronically limits or controls the steady state alternating currents, or direct currents, to a programmable limit or level;</u></p>		




Article 1, first paragraph, point (2), amending provision, numbered paragraph (79b)				
83b		<p><u>79b. 'flexible connection agreement' means a set of predetermined rules and requirements for expeditiously interconnecting electrical capacity to the grid, that includes an agreement to limit and control the import and export of electricity from and to the transmission and distribution network;</u></p>		



	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (7)				
131	(7) Article 18 is amended as follows:	(7) Article 18 is amended as follows:	(7) Article 18 is amended as follows:	(7) Article 18 is amended as follows:
Article 1, first paragraph, point (7)(a)				
132	(a) paragraph 2 is replaced by the following:	(a) paragraph 2 is replaced by the following:	(a) paragraph 2 is replaced by the following:	(a) paragraph 2 is replaced by the following:
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (2)				
133	“	“	“	“

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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</p>	<p>2. Tariff methodologies shall reflect the fixed costs of transmission system operators and distribution system operators and, shall consider both capital and operational expenditure, <u>or an efficient combination of both</u>, to provide appropriate incentives to transmission system operators and distribution system operators over both the short and long run, including anticipatory investments, in order <u>to invest in network infrastructure reinforcement to facilitate the energy transition and in the additional physical and digital network elements needed to reach the objectives set out in the national energy and climate plans, and at the same time</u> to</p>	<p>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, the integration of renewable energy and security of supply, to support the use of flexibility services, efficient and timely investments including solutions to optimise the existing grid and facilitate non-fossil</p>	<p>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; foster market integration, the integration of renewable energy and security of supply; support the use of flexibility services, enable the use of flexible connections; promote efficient and timely investments, including solutions</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection;</p>	<p>increase efficiencies, including energy efficiency, to foster market integration, <u>renewable energy production capacity</u> and security of supply, to support the use of flexibility services, <u>to enable the use of flexible connection arrangements</u>, efficient <u>and timely</u> investments, including solutions to optimise the existing grid and <u>to ensure the development of a smart grid</u> and facilitate <u>energy storage</u>, demand response and related research activities, <u>to reduce environmental impact</u>, <u>to promote acceptance</u>, and to facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection, <u>in particular to develop the</u></p>	<p>flexibility, including demand response and energy storage, related research activities, and to facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection";</p>	<p>to optimise the existing grid; facilitate energy storage, demand response and related research activities; [contribute to the achievements of the objectives set out in the national energy and climate plans, to reduce environmental impact and promote acceptance]; and facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection, [in particular to develop the required infrastructure to reach the minimum electricity interconnection target for 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999];</p>


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>required infrastructure to reach the minimum 15 % electricity interconnection target for 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999.</i></u></p> <p><u><i>The regulatory authorities, in cooperation with transmission and distribution system operators, including other relevant stakeholders, shall develop a framework to assess whether transmission and distribution system operators adequately consider in their network development plans all types of anticipatory investments, such as investments for the development of grids linked to renewables acceleration areas, electric vehicle charging</i></u></p>		


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>infrastructure or heat pump deployment, and adequate cost-benefit analysis methodology for assessing the impact of such investments.</u> ;		
Article 1, first paragraph, point (7)(ab)				
133a		<u>(ab) paragraph 3 is replaced by the following:</u>		
Article 1, first paragraph, point (7)(ab), amending provision, first paragraph				
133b		"		"


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>3. Where appropriate, the level of the tariffs applied to producers or final customers, or both shall provide locational investment signals, such as incentives via tariff structure, to reduce re-dispatching and power grid reinforcement costs, at Union level, and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.;</u></p> <p style="text-align: right;">"</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">PUBLIC</p>	<p>3. Where appropriate, the level of the tariffs applied to producers or final customers, or both shall provide locational investment signals, [such as incentives via tariff structure to reduce re-dispatching and power grid reinforcement costs] at Union level, and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.'];</p> <p style="text-align: right;">"</p>
Article 1, first paragraph, point (7)(b)				


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
134	(b) paragraph 8 is replaced by the following:	(b) paragraph 8 is replaced by the following:	(b) paragraph 8 is replaced by the following:	(b) paragraph 8 is replaced by the following:
Article 1, first paragraph, point (7)(b), amending provision, numbered paragraph (8)				
135	“ 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	“ 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	“ 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	“ 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

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>authorities shall recognise relevant costs as eligible, <u>including those related to anticipatory investments</u>, shall include those costs in transmission and distribution tariffs, and, <u>where applicable</u>, shall introduce performance targets in order to provide incentives to transmission and distribution system operators to increase <u>efficiencies overall system efficiency, quality and security of supply</u> in their networks, including through energy efficiency <u>by applying the energy efficiency first principle as defined in Article 2, point (18), of Regulation (EU) 2018/1999</u>, the use of flexibility <u>and demand response</u> services and the development of smart</p>	<p>authorities shall recognise relevant costs as eligible, shall include those costs in transmission and distribution tariffs, and shall where appropriate, 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.</p>	<p>authorities shall recognise relevant costs as eligible, including costs related to anticipatory investments, shall include those costs in transmission and distribution tariffs, and shall, where appropriate, introduce performance targets in order to provide incentives to transmission and distribution system operators to increase overall system efficiency in their networks, including through energy efficiency, the use of flexibility services and the development of smart grids and intelligent metering systems.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>grids and intelligent metering systems <u><i>in accordance with the features of the given electricity system and climate policy objectives.</i></u></p>		
Article 1, first paragraph, point (7)(b), amending provision, numbered paragraph (8a)				
135a		<p><u><i>8a. Transmission and distribution system operators shall offer the possibility of establishing flexible connection agreements in those areas where there is limited or no network capacity availability for new connections, which shall be published in accordance with Article 50(4a), first subparagraph, of this</i></u></p>		<p>Proposal: addition of a new article 6a in Electricity Directive 2019/944</p> <p>Article 6a</p> <p>Flexible connection agreements</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>Regulation and Article 31(3) of Directive (EU) 2019/944. Such flexible connection agreements shall specify the following:</i></u></p> <p><u><i>(a) the maximum firm import and export of electricity from and to the grid, as well as the additional flexible import and export capacity that can be connected and differentiated by time blocks throughout the year;</i></u></p> <p><u><i>(b) the network charges applicable to both the firm and flexible import and export capacities;</i></u></p> <p><u><i>(c) the probabilities of curtailment if the maximum firm capacity is exceeded;</i></u></p> <p><u><i>(d) the agreed duration of</i></u></p>		<p>1. The regulatory authority, or other competent authority where Member States has so provided, shall develop a framework for transmission system operators and distribution system operators to offer the possibility of establishing flexible connection agreements in those areas where there is limited or no network capacity availability for new connections, which shall be published in accordance with Article 31(3) and Article 50(4a), first subparagraph, of Regulation (EU) [2019/943]. This framework shall ensure that: as a general rule, flexible connections do not delay the network reinforcements in the identified areas; a conversion from flexible to firm connection</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>the flexible connection agreement and the agreed date for granting connection to the entire requested firm capacity.</i></u></p> <p><u><i>The system user requesting a flexible grid connection shall be requested to install a power control system that is certified by a national standardisation body.</i></u></p> <p><u><i>Regulatory authorities shall ensure that flexible connection agreements are not used as a permanent alternative and thus do not delay approved network reinforcement in the identified areas.’;</i></u></p>		<p>agreements once the network is developed is ensured; and, for areas where the regulatory authority, or other competent authority where Member States has so provided, deems network development not to be the most efficient solution, enable where relevant flexible connection agreements as a permanent solution, including for energy storage.</p> <p>2. The framework [shall/may] ensure that flexible connection agreements in accordance with Article 6a(1) specify at least the following:</p> <p>(a) The maximum firm injection</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p>and withdrawal of electricity from and to the grid, as well as the additional flexible injection and withdrawal capacity that can be connected and differentiated by time blocks throughout the year;</p> <p>(b) The network charges applicable to both the firm and flexible injection and withdrawal capacities;</p> <p>(c) The agreed duration of the flexible connection agreement and the expected date for granting connection to the entire requested firm capacity.</p> <p>The system user connecting through a flexible grid connection shall be required to</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				install a power control system that is certified by a national standardisation body.
Article 1, first paragraph, point (7)(c)				
136	(c) in paragraph 9, point (f) is replaced by the following:	(c) in paragraph 9, point (f) is replaced by the following:	(c) in paragraph 9, point (f) is replaced by the following:	(c) in paragraph 9, point (f) is replaced by the following:
Article 1, first paragraph, point (7)(c), amending provision, first paragraph				
137	(f) methods to ensure transparency in the setting and structure of tariffs, including	(f) methods to ensure transparency in the setting and structure of tariffs, including	(f) methods to ensure transparency in the setting and structure of tariffs, including	(f) methods to ensure transparency in the setting and structure of tariffs, including

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	anticipatory investments;	anticipatory investments <u>determined in close consultation with relevant stakeholders, including from transport and heating and cooling sector, in line with the relevant Union and national energy objectives, and take into account the acceleration areas as defined in Article 2, point (9a), of Directive (EU) 2018/2001;</u>	anticipatory investments;	anticipatory investments determined after consultation to relevant stakeholders, consistent with relevant Union and national energy objectives and taking into account the acceleration areas as established in accordance with the Directive (EU) 2018/2001 on the promotion of renewable energy sources;
Article 1, first paragraph, point (7)(d)				
138	(d) in paragraph 9, the following point (i) is added:	(d) in paragraph 9, the following point (i) is added:	(d) in paragraph 9, the following point (i) is added:	(d) in paragraph 9, the following point (i) is added:

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (7)(d), amending provision, first paragraph				
139	<p>‘</p> <p>(i) incentives for efficient investments in networks, including on flexibility resources and flexible connection agreements.</p> <p>’</p>	<p>‘</p> <p>(i) incentives for efficient investments in networks, including on flexibility flexible resources and flexible connection agreements.?’</p> <p>’</p>	<p>‘</p> <p>(i) incentives for efficient investments in networks, including on flexibility resources and flexible connection agreements.</p> <p>’</p>	<p>‘</p> <p>(i) incentives for efficient investments in networks, including [resources providing flexibility] and flexible connection agreements.</p> <p>’</p>

Article 19 - Regulation

140	(8) in Article 19, paragraph 2 is amended as follows:	(8) in Article 19, paragraph 2 is amended as follows:	(8) in Article 19, paragraph 2 is amended as follows:	(8) in Article 19, paragraph 2 is amended as follows:
Article 1, first paragraph, point (8)(a)				
141	(a) point (b) is replaced by the following:	(a) point (b) is replaced by the following:	(a) point (b) is replaced by the following:	(a) point (b) is replaced by the following:
Article 1, first paragraph, point (8)(a), amending provision, first paragraph				
142	(b) maintaining or increasing cross-zonal capacities through	(b) maintaining <u>maximising and</u> increasing cross-zonal	(b) maintaining or increasing cross-zonal capacities through	(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	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	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	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
Article 1, first paragraph, point (8)(b)				
143	(b) the following point (c) is added:	(b) the following point (c) is added:	(b) the following point (e) is added:	(b) the following point (c) is added:
Article 1, first paragraph, point (8)(b), amending provision, first paragraph				

144	<p>(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 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.</p>	<p>(c) compensating offshore generation plant operators in an <u>as part of the permitting process and following a coordinated decision taken by the Member States concerned, on the implementation of</u> offshore bidding zone if access to interconnected markets has been reduced in such a way that one or more transmission system operators have not <u>made zones and on the design of the support mechanism, contributing to the partial compensation to offshore</u></p>	<p>(c) compensating offshore renewable electricity generation plant operators in an offshore bidding zone directly connected to two or more bidding zones if access to interconnected markets has been reduced in such a way that it results in the offshore renewable electricity plant operator not being able to export its electricity generation capability to the market and, where relevant, a corresponding price decrease in the offshore</p>	<p>(c) compensating offshore renewable electricity generation plant operators in an offshore bidding zone directly connected to two or more bidding zones if access to interconnected markets has been reduced in such a way that it results in the offshore renewable electricity plant operator not being able to export its electricity generation capability to the market and, where relevant, a corresponding price decrease in the offshore bidding zone, as compared to without</p>
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		<p> <u>renewable generators in an offshore bidding zone where there is not enough capacity available on the interconnector as agreed in the connection agreement or in or the critical network elements affecting the capacity of the interconnector, resulting in pursuant to capacity calculation rules laid down in Article 16 (3), (8) and (9), leading to the simultaneous loss of revenue of the offshore plant operator not being able to export its electricity generation capability to the renewable generator and an excess revenue on the interconnector, provided that any consumption in </u></p>	<p> bidding zone, as compared to without capacity reductions. The compensation applies where one or more transmission system operators have not made enough available the capacity available agreed in the connection agreement on the interconnector or have not made available the capacity on the critical network elements affecting pursuant to the capacity calculation rules in Article 16 (8) of Regulation (EU) 2019/943. On an annual basis, this compensation shall not exceed the total congestion income generated on </p>	<p> capacity reductions. The compensation applies where one or more transmission system operators, [in the capacity calculation,] have not made available the capacity agreed in connection agreement on the interconnector or have not made available the capacity on the critical network elements pursuant to the capacity calculation rules in Article 16(8). The transmission system operators which are responsible for the reduction of access to interconnected markets shall be responsible for the compensation to offshore renewable </p>
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		<p><u>the bidding zone is not a co-driver of the price formation; only the excess interconnector revenue shall be used for the compensation of offshore renewable generators. On an annual basis, the total compensation of all generators in the concerned bidding zone shall not exceed the total congestion income generated on interconnectors between the offshore bidding zone and neighbouring bidding zones concerned during the specific market settlement periods where such compensation applies.</u></p>	<p>interconnectors between the concerned bidding zones of the interconnector, resulting in the offshore plant operator not being able to export its electricity generation capability to the market.'</p>	<p>electricity generation plant operators. On an annual basis, this compensation shall not exceed the total congestion income generated on interconnectors between the concerned bidding zones.</p>
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		<p><u><i>By 31 December 2024, the Commission shall amend Regulation (EU) 2015/1222 in accordance with Article 59 of this Regulation as regards the implementation details of the partial compensation, outlining a methodology for calculation of the partial compensation and including the conditions under which the measure may expire.';</i></u></p>		
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PUBLIC

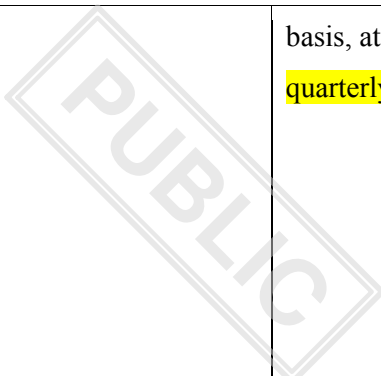


Article 50 - Regulation

(11) Article 50 is amended as follows:	(11) Article 50 is amended as follows:	(11) Article 50 is amended as follows:	
Article 1, first paragraph, point (11)(a)			
(a) the following paragraph 4a is added:	(a) the following paragraph 4a is added:	(a) the following paragraph 4a is added:	

Article 1, first paragraph, point (11)(a), amending provision, first paragraph, first subparagraph

<p>“</p> <p>4a. 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.</p>	<p>“</p> <p>4a. 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 <u>with high resolution and grid granularity, while respecting security of classified information and data confidentiality</u>, including <u>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, and the demand and generation for the following</u></p>	<p>“</p> <p>4a. 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.</p>	<p>4a. 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 with high spatial granularity, while respecting public security and data confidentiality, including the capacity under connection request and the possibility of flexible connection in congested areas. The publication shall include information on the criteria used to calculate available capacity for new connections. Transmission system operators shall update that information on a regular</p>
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	<p><u>five years and</u> in congested areas if flexible energy storage connections can be accommodated, and.</p> <p><u>Transmission system operators shall</u> update that information regularly <u>on a regular basis, and in any event</u>, at least quarterly <u>every month. Before the publication of that information, transmission and distribution system operators shall consult all relevant system users on the criteria to be used to calculate such available capacity and shall submit to its regulatory authority a proposal for approval.</u></p>		<p>basis, at least [monthly / quarterly].</p>
<p>+Article 1, first paragraph, point (11)(a), amending provision, first paragraph, second subparagraph</p>			
			<p>Transmission system operators</p>

<p>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 ;</p> <p style="text-align: right;">"</p>	<p>Transmission system operators shall also provide clear and transparent information to system users about the status and treatment of their connection requests, <u>including renewable generation and storage temporarily connected with a flexible connection agreement</u>.</p> <p>They shall provide such information within a period of three months from the submission of the request ;;</p> <p style="text-align: right;">"</p>	<p>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 ;</p> <p style="text-align: right;">"</p>	<p>shall provide clear and transparent information to system users about the status and treatment of their connection requests including, where relevant, those related to flexible connection agreements. They shall provide such information within three months from the submission of the request.</p>
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Article 57 - Regulation

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
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	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (12)				
205	(12) in Article 57, the following paragraph 3 is added:	(12) in Article 57, the following paragraph 3 is added:	(12) in Article 57, the following paragraph 3-is added:	
Article 1, first paragraph, point (12), amending provision, numbered paragraph (3)				
206	“ 3. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the capacity available for new connections in their respective areas of operation in a consistent manner and giving sufficient granular	“ 3. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the capacity available for new connections in their respective areas of operation in a consistent manner and giving sufficient granular	“ 3. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the capacity available for new connections in their respective areas of operation in a consistent manner and giving sufficient granular	3. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the capacity available for new connections in their respective areas of operation in a consistent manner and giving sufficient granular visibility to developers of new

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	visibility to developers of new energy projects and other potential network users.	visibility to developers of new energy projects and other potential network users. <u><i>They shall jointly publish, in a clear and transparent manner, the requirements of grid development and system services, and the required systems and processes to facilitate its development. In addition, they shall cooperate with each other in publishing information on the installed electricity capacity of self-consumption.</i></u>	visibility to developers of new energy projects and other potential network users."	energy projects and other potential network users.

Article 31 - Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (6a)				
274a		<u>(6a) in Article 31, paragraph 2 is replaced by the following:</u>	Directive	
Article 2, first paragraph, point (6a), amending provision, first paragraph				
274b		" <u>2. In any event, the distribution system operator shall not discriminate between system users or classes of system users, particularly in favour of its related undertakings, while taking into account specificities of renewable energy communities and citizen energy communities in their grid</u>	Directive	2. In any event, the distribution system operator shall not discriminate between system users or classes of system users, including renewable energy communities and citizen energy communities, particularly in favour of its related undertakings.

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>connection procedures in order to allow them to obtain access to the distribution system on an equal footing with other market participants.</u>;</p> <p>"</p>		
Article 2, first paragraph, point (7)				
275	(7) In Article 31, paragraph 3 is replaced by the following:	(7) In Article 31, paragraph 3 is replaced by the following:	(7) In Article 31, paragraph 3 is replaced by the following: Directive	
Article 2, first paragraph, point (7), amending provision, numbered paragraph (3), first subparagraph				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
276	<p>“</p> <p>3. 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.</p>	<p>“</p> <p>3. The distribution system operator shall provide system users with the information they need for efficient access to, including <u>the</u> 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 <u>the criteria used to calculate that 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 five</u></p>	<p>“</p> <p>3. 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.</p>	<p>3. Distribution system operators shall provide system users with the information they need for efficient access to, including use of, the system. In particular, distribution system operators shall publish in a clear and transparent manner, information on the capacity available for new connections in its area of operation, with high spatial granularity, while respecting public security and data confidentiality,. The publication shall include information on the criteria used to calculate available capacity for new connections. Distribution system operators shall update that information on a regular basis,</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>years and</u> in congested areas if flexible energy storage connections can be accommodated, and temporarily <u>until the decided network reinforcements have been accomplished. The distribution system operator shall</u> update that information regularly, on a <u>regular basis, and in any event</u> at least quarterly <u>every month</u>.</p>	<p>Directive</p>	<p>and in any event, at least quarterly.</p>
<p>Article 2, first paragraph, point (7), amending provision, numbered paragraph (3), second subparagraph</p>				
277	<p>Distribution system operators shall also provide clear and transparent information to system users about the status and treatment of their connection</p>	<p>Distribution system operators shall also provide clear and transparent information to system users about the status and treatment of their connection</p>	<p>Distribution system operators shall also provide clear and transparent information to system users about the status and treatment of their connection</p>	<p>Distribution system operators shall also provide clear and transparent information to system users about the status and treatment of their connection</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	requests. They shall provide such information within a period of three months from the submission of the request.	requests <u>including a timeline of procedures and cost estimates for needed grid reinforcements</u> . They shall provide such information within a period of three months from the submission of the request. <u>Where the requested connection is neither granted nor permanently rejected, the distribution system operator shall update that information on a regular basis and, in any event, at least every month.</u>	requests. They shall provide such information within a period of three months from the submission of the request." Directive	requests. They shall provide such information within a period of three months from the submission of the request.
Article 2, first paragraph, point (7), amending provision, numbered paragraph (3a)				
277a		<u>Distribution system operators shall provide system users the</u>		Distribution system operators shall provide system users the option to request grid connection and submit relevant documents


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>option to request grid connection and submit relevant documents exclusively in digital form. The Commission shall review the national standards by ... [12 months after the date entry into force of this amending Regulation] and shall submit a proposal for harmonised standards.';</i></u></p>	<p>Directive</p>	<p>exclusively in digital form.</p>
<p>Article 2, first paragraph, point (7), amending provision, numbered paragraph (3b)</p>				
277b			<p>3a. Member States may decide not to apply paragraph 3 to integrated electricity undertakings which serve less</p>	<p>3a. Member States may decide not to apply paragraph 3 to integrated electricity undertakings which serve less than 100 000 connected customers, or serving small</p>


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>than 100 000 connected customers, or serving small isolated systems.”</p> <p>Directive</p>	<p>isolated systems. [In these cases, Member States will encourage the affected distribution system operators to publish an annual report with the information reflected in the first subparagraph].</p>

Article 33 - Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (7a)				
277c		(7a) in Article 33, paragraph 1		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<i>is replaced by the following:</i>	Directive	
Article 2, first paragraph, point (7a), amending provision, first paragraph				
277d		<p>"</p> <p><u>1. Without prejudice to Directive 2014/94/EU of the European Parliament and of the Council¹, 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</u></p>	Directive	<p>1. Without prejudice to Directive 2014/94/EU, 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</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>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.</u></p> <p><u>Member States shall ensure that distribution system operators connect system users within six months when no grid reinforcement is needed, and one year, if reinforcement is needed, without prejudice to the relevant public consultation and environmental impact assessments where applicable.';</u></p> <p style="text-align: right;">"</p>		<p>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.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>1. Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307 28.10.2014, p. 1).</u></p>		

6) Consumer/retail market related aspects (Article 7b Electricity Regulation and Articles 4, 11, 18a, 27a Electricity Directive).

Delegations are kindly asked to provide their flexibilities in the following compromise proposals, and in particular in the elements marked in **yellow**.

Article 7b – Regulation - Consumer/retail market related aspects

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Article 1, first paragraph, point (2), amending provision, numbered paragraph (79)			

83	(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;	(79) ‘dedicated metering <u>measurement</u> device’ means a device <u>linked or</u> attached to, or embedded in, an asset that sells <u>provides</u> demand response or flexibility services on the electricity market or to transmission and distribution system operators <u>and that allows measuring the volume of demand response and flexibility services delivered;</u>	(79) ‘dedicated metering <u>measurement</u> device’ means a device attached <u>linked</u> to or embedded in an asset that sells <u>provides</u> demand response or flexibility services on the electricity market or to transmission and distribution system operators;	(79) ‘dedicated measurement device’ means a device linked to or embedded in an asset that provides demand response or flexibility services on the electricity market or to transmission and distribution system operators;
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	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 1, first paragraph, point (4), amending provision, seventh paragraph				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
107	Article 7b	Article 7b	Article 7b	Article 7b
Article 1, first paragraph, point (4), amending provision, eighth paragraph				
108	Dedicated metering device	Dedicated metering <u>measurement</u> device	Dedicated metering <u>measurement</u> device	Dedicated measurement device
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1)				
109	1. “Member States shall allow transmission system operators and distribution system	1. <u>“Without prejudice to Article 19 of Directive (EU) 2019/944,</u> Member States shall allow	1. “Member States shall allow Upon the consent of the final customer, transmission	1. Without prejudice to Article 19 of Directive (EU) 2019/944, transmission and distribution system operators, and relevant market participants including

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>operators to use data from dedicated metering devices for the observability and settlement of demand response and flexibility services, including from storage systems.</p>	<p><u>customers and market participants, including independent aggregators, with explicit consent from the owners and users,</u> transmission system operators and distribution system operators to <u>have access and</u> use data from dedicated metering <u>measurement</u> devices for the observability, <u>settlement and flexibility services as well as energy sharing</u> and settlement of demand response and flexibility services, including from <u>demand response and energy</u> storage systems <u>in accordance with the applicable Union data protection and privacy law, in particular Regulation (EU) 2016/679. Such data may be used for research purposes,</u></p>	<p>system operators and distribution system operators to may use data from dedicated metering <u>measurement</u> devices for the observability and settlement of demand response and flexibility services, including from storage systems.</p>	<p><u>independent aggregators,</u>] may use, upon the consent of the final customer, data from dedicated measurement devices for the observability and settlement of demand response and flexibility services, including from storage systems. This use of data from dedicated metering devices for the purposes of this article should be in accordance with article 23 and 24 of Directive (EU) 2019/944 and relevant Union legislation, including data protection and privacy law, in particular Regulation (EU) 2016/679. <u>[In case the data are used for research purposes, information shall be aggregated and anonymised.]</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>provided that it has been aggregated and anonymised.</i></u>		
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1a)				
109a			<p>2. Where a final customer does not have a smart meter installed or where the smart meter of a final customer does not deliver the necessary data to provide demand response or flexibility services, including through an independent aggregator, transmission system operators and distribution system operators shall accept the data from a dedicated measurement device, where available, for the</p>	<p>2. Where a final customer does not have a smart meter installed or where the smart meter of a final customer does not deliver the necessary data to provide demand response or flexibility services, including through an independent aggregator, transmission system operators and distribution system operators shall accept the data from a dedicated measurement device, where available, for the settlement of demand response</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>settlement of demand response and flexibility services, including storage systems, and shall not discriminate against that final customer in their procurement of flexibility services. This obligation shall apply upon the establishment and subject to compliance with the rules and requirements established by the Member States pursuant to paragraph 3.</p>	<p>and flexibility services, including storage systems, and shall not discriminate against that final customer in their procurement of flexibility services. This obligation shall apply upon the establishment and subject to compliance with the rules and requirements established by the Member States pursuant to paragraph 3.</p>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2)				
110	2. Member States shall establish requirements for a dedicated metering device data validation	2. Member States shall establish <u>harmonised</u> requirements for a dedicated metering <u>measurement</u>	23. Member States shall establish requirements for a dedicated	3. Member States shall establish requirements for a dedicated measurement device data

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>process to check and ensure the quality of the respective data.;</p>	<p>device data validation process to check and ensure the quality <u>and consistency</u> of the respective data, <u>and also the interoperability of new dedicated measurement devices installed after ./. [date of entry into force of this amending Regulation], in accordance with Article 23 of Directive (EU) 2019/944 and the procedures set out in the network code adopted pursuant to Article 59(1), point (e), of this Regulation and taking into account the relevant Union law on measurement instruments.</u></p>	<p>metering measurement device data validation process to check and ensure the quality of the respective data.;</p>	<p>validation process to check and ensure the quality and consistency of the respective data, and interoperability, in accordance with Articles 23 and 24 of Directive (EU) 2019/944, article 59.1, point (e) of this Regulation and other relevant Union legislation.</p>
<p>Article 1, first paragraph, point (4), amending provision, numbered paragraph (2a)</p>				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
110a		<p><u>2a. Where flexibility interventions are planned through the usage of such dedicated measurement devices, system operators shall be informed to ensure the electricity system stability.';</u></p>		

Article 4 – Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (2)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
228	(2) Article 4 is replaced by the following:	(2) Article 4 is replaced by the following:	(2) Article 4 is replaced by the following: Directive	(2) Article 4 is replaced by the following:
Article 2, first paragraph, point (2), amending provision, first paragraph				
229	“ Article 4	“ Article 4	“ Article 4 Directive	“ Article 4
Article 2, first paragraph, point (2), amending provision, second paragraph				
230				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Free choice of supplier	Free choice of supplier	Free choice of supplier Directive	Free choice of supplier »
Article 2, first paragraph, point (2), amending provision, third paragraph				
231	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	Member States shall ensure that all customers are free to purchase electricity from the <u>supplier</u> <u>suppliers</u> of their choice. Member States shall ensure that all customers are free to have more than one electricity supply contract <u>or an energy sharing agreement</u> at the same time, and that for this <u>that</u> purpose customers are entitled to	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	Member States shall ensure that all customers are free to purchase electricity from suppliers of their choice. Member States shall ensure that all customers are free to have more than one electricity supply contract [<u>or energy sharing agreement</u>] 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

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	covered by the single connection point for their premises.	have more than one metering and billing point covered by the single connection point for their premises <u>unless the existing smart-metering allows those rights.</u>	covered by the single connection point for their premises." Directive	point for their premises. [Where technically feasible, smart metering systems deployed in accordance with Article 19, may be used to allow customers to have more than one electricity supply contracts at the same time.]
Article 2, first paragraph, point (2), amending provision, third paragraph a				
231a		<u>Member States shall ensure that metering arrangements guarantee that all suppliers operating at a single connection point are treated in a non-discriminatory manner.</u>	Directive	[Member States shall ensure that metering arrangements guarantee that all suppliers operating at a single connection point comply with their responsibilities and are treated in a non-discriminatory manner. For this purpose, metering points

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>Metering arrangements shall be approved by grid operator and shall allow the physical connection point to be split into several energy connection points equally reliable, independent from each other, and with same features and functionalities as single connection points, including balancing responsibility.</u>;</p>	<p>PUBLIC</p>	<p>shall comply, where applicable, with the same requirements and functionalities and shall be clearly distinguished from each other and suppliers shall have balancing responsibility only for the metering and billing points to which they supply electricity];</p>

Article 11 – Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (1)(b)				
221	(b) the following points are added:	(b) the following points are added:	(b) the following points are added: Directive	(b) the following points are added:
Article 2, first paragraph, point (1)(b), amending provision, first paragraph				
222	“ (15a) ‘fixed term, fixed price electricity supply contract’ means an electricity supply contract between a supplier and a final customer that guarantees	“ (15a) ‘fixed term, fixed price electricity supply contract’ means an electricity supply contract between a supplier and a final customer that guarantees	“ (15a) ‘fixed term, fixed price electricity supply contract’ means an electricity supply contract between a supplier and a final customer that guarantees	“ (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, during the


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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;	the same contractual conditions <u>during the whole duration of the contract</u> , including the price, while it may, – within a fixed price, <u>and for customers equipped with smart meters</u> include a flexible element with for example peak and off peak price variations, <u>and where changes in the final bill can only result from elements that are not determined by suppliers, such as taxes and levies</u> ;	the same contractual conditions, including the price, during the whole duration of the contract , while it may, within a fixed price, include a flexible element with for example peak and off peak price variations; Directive	whole duration of the contract, while it may, – within a fixed price, include a flexible element with for example peak and off peak price variations, and where changes in the resulting bill can only result from elements that are not determined by suppliers, such as taxes and levies;
Article 2, first paragraph, point (3)				
232	(3) Article 11 is amended as follows:	(3) Article 11 is amended as follows:	(3) Article 11 is amended as follows:	(3) Article 11 is amended as follows:

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Directive	
Article 2, first paragraph, point (3)(a)				
233	(a) the title is replaced by the following:	(a) the title is replaced by the following:	(a) the title is replaced by the following: Directive	(a) the title is replaced by the following:
Article 2, first paragraph, point (3)(a), amending provision, first paragraph				
234	,	,	,	Entitlement to a fixed term,

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Entitlement to a fixed term, fixed price and dynamic electricity price contract;	Entitlement to a fixed term, fixed price <u>electricity supply contract</u> and dynamic electricity price contract;	Entitlement to a fixed term, fixed price and dynamic electricity price contract; Directive	fixed price electricity supply contract and dynamic electricity price contract;
Article 2, first paragraph, point (3)(b)				
235	(b) paragraph 1 is replaced by the following:	(b) paragraph 1 is replaced by the following:	(b) paragraph 1 is replaced by the following: Directive	(b) paragraph 1 is replaced by the following:

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (3)(b), amending provision, numbered paragraph (1)				
236	<p>1. Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price contracts and dynamic electricity price contracts.</p> <p>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</p>	<p>1. –Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price <u>electricity supply</u> contracts and dynamic electricity price contracts. <u>By... [the date of entry into force of this amending Regulation]</u>, 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<u>supply</u></p>	<p>1. –Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price contracts and dynamic electricity price contracts.</p> <p>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</p>	<p>1. –Member States shall ensure that the national regulatory framework enables suppliers to offer fixed-term, fixed-price electricity supply 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 supply contract of a duration of at least one year, with at least one supplier and with every supplier that has</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>more than 200 000 final customers.</p>	<p>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.</p>	<p>more than 200 000 final customers.</p> <p>By way of derogation from the first subparagraph, Member States may exempt a supplier with more than 200 000 final customers from the obligation to offer fixed term fixed price contracts if that supplier only offers dynamic price contracts and the exemption does not have a negative impact on competition or sufficient choice of fixed term fixed price contract for customers.</p> <p>Directive</p>	<p>more than 200 000 final customers.</p> <p>[By way of derogation from the first subparagraph, Member States may exempt a supplier with more than 200 000 final customers from the obligation to offer fixed term fixed price contracts if:</p> <p>a) that supplier only offers dynamic price contracts, and;</p> <p>b) the exemption does not have a negative impact on competition, and;</p> <p>c) there remains sufficient</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p>choice of fixed term fixed price contract for customers.</p> <p>Member States shall ensure that suppliers do not modify unilaterally the terms and conditions of fixed-term, fixed-price electricity supply contracts or terminate them before their maturity.]</p> <p>Directive</p>
Article 2, first paragraph, point (3)(c)				
237				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	(c) the following paragraph 1a is inserted:	(c) the following paragraph <u>paragraphs are</u> is inserted:	(c) the following paragraph 1a is inserted: Directive	(c) the following paragraph 1a is inserted:
Article 2, first paragraph, point (3)(c), amending provision, first paragraph				
238	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,	1a. Prior to the conclusion or extension of any contract, final customers <u>By way of derogation from Article 10(4), Member States</u> shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language. <u>This summary</u>	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	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, its breakdown, explanation on whether the price is fixed, variable or dynamic, supplier's

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>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</p> <p><u>ensure that suppliers do not modify unilaterally the terms and conditions of fixed-term, fixed-price electricity supply contracts or terminate them before their end.</u></p>	<p>and its breakdown, promotions, additional services, discounts and includes shall set out the rights referred to in points (a), (b), (d), (e) and (f) of Article 10(3). The Commission shall provide guidance in this regard.</p> <p>Directive</p>	<p>email address and a consumer support hotline and, where relevant, one-time payments, promotions, additional services and discounts and shall set out the rights referred to in Article 10(3) and 10(4).</p> <p>The Commission shall provide guidance in this regard.</p>
Article 2, first paragraph, point (3)(c), amending provision, first paragraph a				
238a		<p><u>1b Member States shall ensure that final customers with fixed-</u></p>		<p>1b Member States shall ensure that final customers with fixed-term, fixed-price electricity supply contracts are not</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>term, fixed-price electricity supply contracts are not excluded from participating in demand response and energy sharing and from actively contributing to the achievement of the national electricity system flexibility needs.</i></u></p>	<p>Directive</p>	<p>excluded from their participation, when they decide so, in demand response and energy sharing and from actively contributing to the achievement of the national electricity system flexibility needs.</p>
<p>Article 2, first paragraph, point (3)(c), amending provision, third paragraph</p>				
238b		<p><u><i>1c Prior to the conclusion or extension of any contract referred to in paragraph 1, suppliers provide to final customers a summary of the key contractual conditions in a prominent manner and in concise and simple language.</i></u></p>	<p>Directive</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>That summary shall include at least the following information on:</i></u>		
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (a)				
238c		<u><i>(a) total price, its breakdown and, in case of the fixed term, fixed price electricity supply contract - the average price per month over its duration;</i></u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (b)				
238d		<u><i>(b) promotions;</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (c)				
238e		<u>(c) additional services;</u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (d)				
238f		<u>(d) discounts;</u>	Directive	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (e)				
238g		<u>(e) contract duration and conditions for termination, including notice period and fees and where relevant, penalties;</u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (f)				
238h		<u>(f) whether the price is fixed or variable, indexed to wholesale prices; one-time payments where relevant;</u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (g)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
238i		<u>(g) contact details (including customer service's address, telephone number and email), and</u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, third paragraph, point (h)				
238j		<u>(h) the rights referred to in points (a), (b), (d), (e), (f) and (h) of Article 10(3).</u>	Directive	
Article 2, first paragraph, point (3)(c), amending provision, fourth paragraph				
238k		<u>The Commission shall provide</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>guidance in this regard.;</i></u>	Directive	
Article 2, first paragraph, point (3)(d)				
239	(d) paragraph 2 is replaced by the following:	(d) paragraph 2 is replaced by the following:	(d) paragraph 2 is replaced by the following: Directive	(d) paragraph 2 is replaced by the following:
Article 2, first paragraph, point (3)(d), amending provision, numbered paragraph (2)				
240			2. –Member States shall ensure that final customers are fully	2. Member States shall ensure that final customers are fully informed by the suppliers of the

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p>	<p>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. <u>Member States and</u> regulatory authorities shall monitor the market developments and assess the risks that the new products and services may entail and deal with abusive practices. <u>Regulatory authorities shall evaluate whether any termination fees of the electricity contracts applied are</u></p>	<p>informed by the suppliers of the opportunities, costs and risks of dynamic electricity price the respective types of electricity 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.-"</p> <p>Directive</p>	<p>opportunities, costs and risks of the respective types of electricity 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:</p> <p>a) monitor the market developments and assess the risks that the new products and services may entail and deal with abusive practices.</p> <p>b) take appropriate measures where impermissible termination fees are identified in accordance</p>


	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>appropriate and shall take measures against any abusive practices.';</u>		with Article 12(3).]

Article 18a – Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (4), amending provision, fifth paragraph				
257	Article 18a	Article 18a	Article 18a	Article 18a

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Directive	
Article 2, first paragraph, point (4), amending provision, sixth paragraph				
258	Supplier risk management	Supplier risk management	Supplier risk management Directive	Supplier risk management ”
Article 2, first paragraph, point (4), amending provision, numbered paragraph (1)				
259	1. National Regulatory Authorities shall ensure that suppliers have in place and implement appropriate hedging	1. National <u>By ... [six months after the date of entry into force of this amending Regulation], and regularly thereafter,</u>	1. National Regulatory authorities, or where a Member State has designated an alternative independent	1. Regulatory authorities, or where a Member State has designated an alternative independent competent authority

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>strategies to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets.</p>	<p>regulatory authorities shall <u>perform regular stress tests to verify the ability of suppliers to face major changes in the market dynamics and their technical and economic capacity to ensure resilience. In addition, in the light of the results of those stress tests, regulatory authorities shall, where appropriate,</u> ensure that suppliers have in place and implement appropriate hedging strategies, <u>taking into account the size of the supplier or its market structure,</u> 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</p>	<p>competent authority for that purpose, such designated competent authorities, shall ensure that suppliers have in place and implement appropriate hedging strategies to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets.</p> <p>Directive</p>	<p>for that purpose, such designated competent authority, shall ensure, taking into account the size of the supplier or the market structure, that electricity suppliers:</p> <p>a) have in place and implement appropriate hedging strategies, to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from short-term markets;</p> <p>[b) take all reasonable steps to limit their risk of supply failure;</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>markets. <u>Member States shall take effective, competitive, non-discriminatory measures to ensure liquidity in hedging markets, including specific measures to avoid the lack of level playing field. Regulatory authorities shall assess the impacts of the possibility of introducing specific hedging targets for specific shares of suppliers' portfolios, including as regards volatility of consumer prices.</u></p>		<p>In order to achieve the objective of the first paragraph, regulatory authorities or alternative independent competent authority, may perform regular stress tests to verify the ability of electricity suppliers to face major changes in the market dynamics and their technical and economic capacity to ensure resilience.]</p>
<p>Article 2, first paragraph, point (4), amending provision, numbered paragraph (2)</p>				
260	2. Supplier hedging strategies may include the use of power	2. Supplier hedging strategies may include the use of power	2. Supplier hedging strategies may include the use of power	2. Supplier hedging strategies may include the use of power

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>purchase agreements. Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their risk exposure on the consumer side, subject to compliance with Union competition law.</p>	<p>purchase agreements <u>or other appropriate instruments, such as forward contracts</u>. Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their risk exposure on the consumer side, subject to compliance with Union competition law.</p>	<p>purchase agreements. Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their risk exposure on the consumer side, subject to compliance with Union competition law.</p> <p>Directive</p>	<p>purchase agreements or other appropriate instruments, such as forward contracts. Where sufficiently developed markets for power purchase agreements exist which allow effective competition, Member States may require that a share of suppliers' risk exposure to changes in wholesale electricity prices is covered using power purchase agreements for electricity generated from renewable energy sources matching the duration of their risk exposure on the consumer side, subject to compliance with Union competition law.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (4), amending provision, numbered paragraph (3)				
261	3. Member States shall endeavour to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities.	3. Member States shall endeavour <u>put in place enabling conditions</u> to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities.	3. Member States shall endeavour to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities." Directive	3. Member States shall endeavour to ensure the accessibility of hedging products for citizen energy communities and renewable energy communities and [to put in place enabling conditions with this aim] "
Article 2, first paragraph, point (4), amending provision, numbered paragraph (3a)				
261a		<u>3a. Electricity suppliers shall</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>take all reasonable steps to limit their risk of supply failure.';</u></p> <p>»</p>	<p>Directive</p>	

Article 27a - Directive

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
<i>Article 2, first paragraph, point (1)(b), amending provision, fourth paragraph</i>				
227	(24a) ‘supplier of last resort’ means a supplier who is designated by a Member State to take over the supply of electricity to customers of a supplier which has ceased to operate;	(24a) ‘supplier of last resort’ means a supplier who is designated by a Member State to take over the supply of electricity to customers of a supplier which has ceased to operate;	(24a) ‘supplier of last resort’ means a supplier who is designated by a Member State to take over the supply of electricity to customers of a supplier which has ceased to operate; Directive	(24a) ‘supplier of last resort’ means a supplier who is designated to take over the supply of electricity to customers of a supplier which has ceased to operate;
<i>Article 2, first paragraph, point (5)</i>				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
262	(5) The following Article XX is inserted:	(5) The following Article XX <u>is articles are</u> inserted:	(5) The following Article XX is Articles are inserted: Directive	
Article 2, first paragraph, point (5), amending provision, first paragraph				
263	“ Article 27a	“ Article 27a	“ Article 27a Directive	“ Article 27a

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (5), amending provision, second paragraph				
264	Supplier of last resort	Supplier of last resort	Supplier of last resort Directive	Supplier of last resort
Article 2, first paragraph, point (5), amending provision, numbered paragraph (1)				
265	1. Member States shall appoint suppliers of last resort at least for household customers. Suppliers of last resort shall be appointed in a fair, open, transparent and non-discriminatory procedure.	1. <u>Where</u> Member States <u>have not already appointed suppliers of last resort, they</u> 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-	1. Member States shall appoint suppliers implement a supplier of last resort regime to ensure continuity of supply at least for household customers. Suppliers of last resort shall be appointed in a fair, open, transparent and non-discriminatory procedure.	1. Where Member States have not already put in place a regime for suppliers of last resort, they shall implement such a supplier of last resort regime to ensure continuity of supply at least for household customers. Suppliers of last resort shall be appointed in a fair, transparent and non-

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		discriminatory procedure.	Directive	discriminatory procedure.
Article 2, first paragraph, point (5), amending provision, numbered paragraph (2)				
266	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.	2. Final customers who are transferred to suppliers of last resort shall not lose <u>continue to benefit from all</u> their rights as customers, in particular those rights as laid down in Articles 4, 10, 11, 12, 14, 18 and 26 <u>this Directive</u> .	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. Directive	2. Final customers who are transferred to suppliers of last resort shall continue to benefit from all their rights as customers as laid down in this Directive.
Article 2, first paragraph, point (5), amending provision, numbered paragraph (3)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
267	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.	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 <u>the period needed to find a new supplier.</u>	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. Directive	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 the period needed to find a new supplier, and at least 6 months.
Article 2, first paragraph, point (5), amending provision, numbered paragraph (4)				
268	4. Member States shall ensure that final customers are provided with information and	4. Member States shall ensure that final customers are provided with information and	4. Member States shall ensure that final customers are provided with information and	4. Member States shall ensure that final customers are provided with information and

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	encouragement to switch to a market-based offer.	encouragement to switch to a market-based offer.	encouragement to switch to a market-based offer. Directive	encouragement to switch to a market-based offer.
Article 2, first paragraph, point (5), amending provision, numbered paragraph (5)				
269	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.”	5. Member States may require the supplier of last resort to supply electricity to household customers <u>and SMEs</u> who do not receive market based offers. In such cases, the conditions set out in Article 5 shall apply.”	5. Member States may require the a 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.” Directive	5. Member States may require a supplier of last resort to supply electricity to household customers and small and medium enterprises who do not receive market based offers. In such cases, the conditions set out in Article 5 shall apply.”

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement

PUBLIC