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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	15135/1/16 ENER 418 ENV 758 CLIMA 169 COMPET 637 CONSOM 301 FISC 221 IA 131 CODEC 1809 REV 1 + ADD 1 REV 1 + ADD 2 REV 1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the internal market for electricity (recast)

Following Coreper on 7 September 2018, delegations will find in the annex a slightly modified version on the above-mentioned proposal. Changes compared to the previous version (5834/2/18 REV 2) are set out in :

- <u>Article 5(8) (line 154):</u> reverting to the wording from the General Approach in the following sentence: ... The procurement **of balancing capacity** shall be **market**-based [] and organised in such a way as to be non-discriminatory between market participants in the prequalification process...
- Article 54(3) (line 729) deletion of the added text, indicated with strikethrough.

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TREE.2.B EN

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the internal market for electricity

(recast)

1.	COMISSION PROPOSAL	EP PLENARY TEXT	COUNCIL GENERAL APPROACH (doc.)	Presidency compromise proposals
	(COD 2016/0379 - doc. 15135/1/16 REV 1 + ADD 1 REV 1)			
2.	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194 (2) thereof, Having regard to the proposal from the European Commission, After transmission of the draft legislative act to the national parliaments, Having regard to the opinion of the European Economic and Social Committee, Having regard to the opinion of the Committee of the Regions, Acting in accordance with the ordinary legislative procedure,		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194 (2) thereof, Having regard to the proposal from the European Commission, After transmission of the draft legislative act to the national parliaments, Having regard to the opinion of the European Economic and Social Committee, Having regard to the opinion of the Committee of the Regions, Acting in accordance with the ordinary legislative procedure,	
	Whereas:		Whereas:	

3.	(1) Regulation (EC) No	(1) Regulation (EC) No	
	714/2009 of the European	714/2009 of the European	
	Parliament and of the Council	Parliament and of the Council ¹	
	has been substantially amended	has been substantially amended	
	several times. Since further	several times. Since further	
	amendments are to be made, that	amendments are to be made, that	
	Regulation should be recast in	Regulation should be recast in	
	the interests of clarity.	the interests of clarity.	
4.	(2) The Energy Union aims at	(2) The Energy Union aims at	
	providing consumers –	providing consumers –	
	household and business –	household and business – with	
	secure, sustainable, competitive	safe, secure, sustainable,	
	and affordable energy.	competitive and affordable	
	Historically, the electricity	energy. Historically, the	
	system was dominated by	electricity system was	
	vertically integrated, often	dominated by vertically	
	publicly owned, monopolies	integrated, often publicly owned,	
	with large centralised nuclear or	monopolies with large	
	fossil fuel power plants. The	centralised nuclear or fossil fuel	
	internal market in electricity,	power plants. The internal	
	which has been progressively	market in electricity, which has	
	implemented since 1999, aims	been progressively implemented	
	to deliver a real choice for all	since 1999, aims to deliver a real	
	consumers in the Union , both	choice for all consumers in the	
	citizens and businesses, new	Union, both citizens and	
	business opportunities and more	businesses, new business	
	cross-border trade, so as to	opportunities and more cross-	
	achieve efficiency gains,	border trade, so as to achieve	
	competitive prices and higher	efficiency gains, competitive	
	standards of service, and to	prices and higher standards of	
	contribute to security of supply	service, and to contribute to	
	and sustainability. The internal	security of supply and	
	market in electricity has	sustainability. The internal	

Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211, 14.8.2009, p. 15).

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	increased competition, in particular at the wholesale level, and cross-border trade. It remains the foundation of an efficient energy market.	market in electricity has increased competition, in particular at the wholesale level, and cross-border trade. It remains the foundation of an	
	3,	efficient energy market.	
5.	(3) Europe's energy system is	(3) Europe's energy system is	
	in the middle of its most	in the middle of its most	
	profound change in decades and	profound change in decades and	
	the electricity market is at the	the electricity market is at the	
	heart of that change. The	heart of that change. [] This	
	common goal to decarbonise the	change creates and facilitates	
	energy system creates new	new opportunities and	
	opportunities and challenges for	challenges for market	
	market participants. At the same	participants. At the same time,	
	time, technological	technological developments	
	developments allow for new	allow for new forms of	
	forms of consumer participation	consumer participation and	
	and cross-border cooperation.	cross-border cooperation.	

6.		(3a) This Regulation is establishing rules to ensure the functioning of the internal energy market while integrating a limited number of requirements related to the development of renewable forms of energy and environmental policy, in particular specific rules for certain renewable power generating facilities, concerning balancing responsibility, dispatch and redispatch as well as a threshold for CO2 emissions of new generation capacity where it is subject to a capacity mechanism.	
7.	(4) State interventions, often designed in an uncoordinated manner, have led to increasing distortions of the wholesale electricity market, with negative consequences for investments and cross-border trade.	(4) State interventions, often designed in an uncoordinated manner, have led to increasing distortions of the wholesale electricity market, with negative consequences for investments and cross-border trade.	

In the past, electricity (5) customers were purely passive. often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand response and storage. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency.

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(5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future. customers need to be enabled to fully participate in the market on equal footing with other market participants and be empowered to manage their energy consumption. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand side solutions and storage, and of digitalisation through the integration of innovative technologies with the electricity system. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency. The achievement of the internal energy market through the effective integration of renewable energy can drive investments in the long term and can contribute to delivering the objectives of the Energy Union and the 2030 climate and energy framework.

In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand response and storage. [] It also needs to encourage energy efficiency.

9.	(6) More market integration	(6) More market integration	
	and the change towards a more	and the change towards a more	
	volatile electricity production	volatile electricity production	
	requires increased efforts to	requires increased efforts to	
	coordinate national energy	coordinate national energy	
	policies with neighbours and to	policies with neighbours and to	
	use the opportunities of cross-	use the opportunities of cross-	
	border electricity trade.	border electricity trade.	
10.	(7) Regulatory frameworks	(7) Regulatory frameworks	
	have developed, allowing	have developed, allowing	
	electricity to be traded across the	electricity to be traded across the	
	Union. That development has	Union. That development has	
	been supported by the adoption	been supported by the adoption	
	of several network codes and	of several network codes and	
	guidelines for the integration of	guidelines for the integration of	
	the electricity markets. Those	the electricity markets. Those	
	network codes and guidelines	network codes and guidelines	
	contain provisions on market	contain provisions on market	
	rules, system operation and	rules, system operation and	
	network connection. To ensure	network connection. To ensure	
	full transparency and increase	full transparency and increase	
	legal certainty, the main	legal certainty, the main	
	principles of market functioning	principles of market functioning	
	and capacity allocation in the	and capacity allocation in the	
	balancing, intraday, day ahead	balancing, intraday, day ahead	
	and forward market timeframes	and forward market timeframes	
	should also be adopted pursuant	should also be adopted pursuant	
	to the ordinary legislative	to the ordinary legislative	
	procedure and incorporated in a	procedure and incorporated in a	
	single act.	single act.	

11.	(7a) The Balancing Guideline	
11.	establishes in its Article 13 a	
	process where transmission	
	-	
	system operators are able to	
	delegate all or part of their	
	tasks to a third party. The	
	delegating transmission system	
	operators should remain	
	responsible for ensuring	
	compliance with the	
	obligations in this Regulation.	
	Likewise, Member States	
	should be able to assign tasks	
	and obligations to a third	
	party. Such assignment should	
	be limited to tasks and	
	obligations executed at	
	national level (such as	
	imbalance settlement). The	
	limitations to the assignment	
	should not lead to unnecessary	
	changes to the existing	
	national arrangements.	
	However, transmission system	
	operators should remain	
	responsible for the tasks	
	entrusted to them pursuant to	
	Article 40 of the [recast	
	Electricity Directive].	

12.	(7b) The Balancing Guideline
12.	i v
	established in its Articles 18,
	30 and 32 that the pricing
	method for standard and
	specific products for balancing
	energy should create positive
	incentives for market
	participants in keeping and/or
	helping to restore the system
	balance of their imbalance
	price area, reduce system
	imbalances and costs for
	society. Such pricing approach
	should strive for an
	economically efficient use of
	demand response and other
	balancing resources subject to
	operational security limits.
	The pricing method used in
	the procurement of balancing
	capacity should strive for an
	economically efficient use of
	demand response and other
	balancing resources subject to
	operational security limits.

13.	(7c) The integration of
	balancing energy markets
	should facilitate the efficient
	functioning of the intraday
	market in order to provide the
	possibility for market
	participants to balance
	themselves as close as possible
	to real time as set with the
	balancing energy gate closure
	times defined in Article 24 of
	the Balancing Guideline. Only
	the imbalances remaining
	after the end of the intraday
	market should be balanced by
	transmission system operators
	with the balancing market.
	The Balancing Guideline
	foresees in its Article 53 the
	harmonisation of the
	imbalance settlement period to
	15 minutes in Europe. Such
	harmonisation should support
	intraday trading and foster the
	development of a number of
	trading products with same
	delivery windows.

14.	(7d) In order to enable	$\overline{}$
14.		
	transmission system operators	
	to procure and use balancing	
	capacity in an efficient,	
	economic and market-based	
	manner, there is a need to	
	foster market integration. In	
	this regard, the Balancing	
	Guidelines established in its	
	Title IV three methodologies	
	through which transmission	
	system operators may allocate	
	cross-zonal capacity for the	
	exchange of balancing capacity	
	and sharing of reserves, when	
	supported on the basis of a	
	cost-benefit analysis: the co-	
	optimisation process, the	
	market-based allocation	
	process and the allocation	
	based on an economic	
	efficiency analysis. The co-	
	optimisation allocation process	
	should be performed on a day-	
	ahead basis whereas the	
	market-based allocation	
	process could be performed	
	where the contracting is done	
	not more than one week in	
	advance of the provision of the	
	balancing capacity and the	
	allocation based on an	
	economic efficiency analysis	
	where the contracting is done	
	more than one week in	
	more than one week in	

	advance of the provision of the
	balancing capacity on the
	conditions that the volumes
	allocated are limited and that
	an assessment is done every
	year. Once a methodology for
	the allocation process of cross-
	zonal capacity is approved by
	the relevant regulatory
	authorities, early application
	of the methodology by two or
	more transmission system
	operators could take place to
	gain experience and allow for
	a smooth application by more
	transmission system operators
	in the future. The application
	of such a methodology, where
	existing, should nevertheless
	be harmonised by all
	transmission system operators
	in order to foster market
	integration.

15.	(7e) The Balancing Guideline
	establishes in its Title V that
	the general objective of
	imbalance settlement is to
	ensure that balance
	responsible parties support the
	system's balance in an efficient
	way and to incentivise market
	participants in keeping and/or
	helping to restore the system
	balance. To make balancing
	markets and the overall
	energy system fit for the
	integration of increasing
	shares of variable renewables,
	imbalance prices should reflect
	the real-time value of energy.

16.	(7f) The guideline on	
10.		
	capacity allocation and	
	congestion management sets	
	out detailed guidelines on	
	cross-zonal capacity allocation	
	and congestion management in	
	the day-ahead and intraday	
	markets, including the	
	requirements for the	
	establishment of common	
	methodologies for determining	
	the volumes of capacity	
	simultaneously available	
	between bidding zones,	
	criteria to assess efficiency and	
	a review process for defining	
	bidding zones. Articles 32 and	
	34 set out rules on review of	
	bidding zone configuration,	
	Articles 41 and 54 set out	
	harmonised limits on	
	maximum and minimum	
	clearing prices for day-ahead	
	and intraday timeframes,	
	Article 59 sets out rules on	
	intraday cross-zonal gate	
	closure times, whereas Article	
	74 of the guideline sets out	
	rules on redispatching and	
	countertrading cost sharing	
	methodologies.	

18.			(7h) The network code on	
10.		I	_	
		I	requirements for generators ²	
		I	sets out the requirements for	
		I	grid connection of power-	
		I	generating facilities, namely	
		I	synchronous power-generating	
		I	modules, power park modules	
		I	and offshore power park	
		I	modules, to the interconnected	
		I	system. It, therefore, helps to	
		I	ensure fair conditions of	
		I	competition in the internal	
		I	electricity market, to ensure	
		I	system security and the	
		I	integration of renewable	
		I	electricity sources, and to	
		I	facilitate Union-wide trade in	
		I	electricity. Articles 66 and 67	
		I	of the network code set out	
		I	rules for emerging	
		I	technologies in electricity	
		I	generation.	
19.	(8) Core market principles		(8) Core market principles	
	should set out that electricity	I	should set out that electricity	
	prices are to be determined	I	prices are to be determined	
	through demand and supply.	I	through demand and supply.	
	Those prices should signal when	I	Those prices should signal when	
	electricity is needed, providing	I	electricity is needed, providing	
	market-based incentives for	ı	market-based incentives for	
	investments into flexibility	I	investments into flexibility	
	sources such as flexible	I	sources such as flexible	
	generation, interconnection,	I	generation, interconnection,	
	demand response or storage.	I	demand response or storage.	
	demand response of storage.		demand response of storage.	

² Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators.

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20.	(9) The decarbonisation of	(9) While decarbonisation of
20.	the electricity sector, with	the electricity sector, with
	renewable energy becoming a	renewable energy becoming a
	major part of the market, is a	major part of the market, is one
	core objective of the Energy	of the goals of the Energy
	Union. As the Union moves	Union [] it is crucial that the
	towards the decarbonisation of	market removes existing barriers
	the electricity sector and	to cross-border trade and
	increasing penetration of	encourages investments into
	renewable energy sources, it is	supporting infrastructure, for
	crucial that the market removes	example, more flexible
	existing barriers to cross-border	generation, interconnection,
	trade and encourages	demand response and storage.
	investments into supporting	To support this shift to variable
	infrastructure, for example,	and distributed generation, and
	more flexible generation,	to ensure that energy market
	interconnection, demand	principles are the basis for the
	response and storage. To	Union's electricity markets of
	support this shift to variable and	the future, a renewed focus on
	distributed generation, and to	short-term markets and scarcity
	ensure that energy market	pricing is essential.
	principles are the basis for the	pricing is essential.
	Union's electricity markets of	
	the future, a renewed focus on	
	short-term markets and scarcity	
	pricing is essential.	

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households and SMEs.

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(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to react to market signals and to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that administrative and implicit price caps are removed to allow scarcity *pricing*. When fully embedded in the market structure. short-term markets and scarcity pricing will contribute to the removal of other *market distortive* measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households, SMEs and industrial consumers

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households and SMEs.

22.	(11) Derogations to		(11) Subject to Union State	
	fundamental market principles		aid rules pursuant to Articles	
	such as balancing responsibility,		107, 108 and 109 derogations to	
	market-based dispatch, or		fundamental market principles	
	curtailment and redispatch		such as balancing responsibility,	
	reduce flexibility signals and act		market-based dispatch, or	
	as barriers to the development of		redispatch reduce flexibility	
	solutions such as storage,		signals and act as barriers to the	
	demand response or		development of solutions such	
	aggregation. While derogations		as storage, demand response or	
	are still necessary to avoid		aggregation. While derogations	
	unnecessary administrative		are still necessary to avoid	
	burden for certain actors, in		unnecessary administrative	
	particular households and		burden for certain actors, in	
	SMEs, broad derogations		particular households and SMEs,	
	covering entire technologies are		broad derogations covering	
	not consistent with the objective		entire technologies are not	
	of achieving market-based and		consistent with the [] aim of	
	efficient decarbonisation and		achieving market-based and	
	should thus be replaced by more		efficient decarbonisation	
	targeted measures.		process and should thus be	
			replaced by more targeted	
			measures.	
23.	(12) The precondition for	AM 3	(12) The precondition for	
	effective competition in the	(12) The precondition for	effective competition in the	
	internal market in electricity is	effective competition in the internal	internal market in electricity is	
	non-discriminatory and	market in electricity is non-	non-discriminatory and	
	transparent charges for network	discriminatory, transparent and	transparent charges for network	
	use including interconnecting	adequate charges for network use	use including interconnecting	
	lines in the transmission system.	including interconnecting lines in	lines in the transmission system.	
	The available capacity of those	the transmission system. The	Uncoordinated curtailments of	
	lines should be set at the	available capacity of those lines	interconnector capacities	
	maximum levels consistent with	should be set at the maximum	increasingly limit the exchange	
	the safety standards of secure	levels consistent with the safety	of electricity between Member	
	network operation.	standards of secure network	States and have become a	

	operation.	serious obstacle to the	
	1	development of a functioning	
		internal market in electricity.	
		The available capacity of []	
		interconnectors should	
		therefore be set at the maximum	
		level consistent with the safety	
		standards of secure network	
		operation including respecting	
		(n-1) security. However, there	
		are some limitations to setting	
		the capacity level in a meshed	
		grid. The level of unscheduled	
		flows should not go beyond	
		what could be expected in a	
		bidding zone without	
		structural congestions.	
		Further, foreseeable problems	
		for ensuring grid security	
		might occur, for example in	
		case of grid maintenance. Also	
		case-by-case grid security	
		issues might occur.	
		Limitations beyond that level	
		can only be accepted for a	
		limited transitional phase	
		which is necessary to adapt the	
		current physical situation in	
		the grids to use the maximum	
		capacity of the	
		interconnectors. The new	
		target benchmark, and if	
		applicable, the linear	
		trajectory towards this level,	
		should ensure that a minimum	

		share of the interconnector	
		capacity is being available for	
		trade or used in the capacity	
		calculation respectively. Loop	
		flows should only be taken into	
		account for calculating	
		capacity to the extent that they	
		would exist without internal	
		congestion. Whereas certain	
		clearly circumscribed	
		limitations in cross-zonal	
		capacity may be justifiable, a	
		clear minimum threshold	
		needs to be put in place,	
		preventing excessive use of	
		derogation possibilities and	
		giving a predictable capacity	
		value for market participants.	
		Where a flow-based approach	
		is used, this threshold should	
		determine the minimum share	
		of the thermal capacity of an interconnector to be used as an	
		input for coordinated capacity	
		allocation under the capacity	
		calculation and congestion	
24	(12) It is important to avoid	management guideline.	
24.	(13) It is important to avoid distortion of competition	(13) It is important to avoid distortion of competition	
	<u> </u>		
	resulting from the differing	resulting from the differing	
	safety, operational and planning	safety, operational and planning	
	standards used by transmission	standards used by transmission	
	system operators in Member	system operators in Member	
	States. Moreover, there should	States. Moreover, there should	
	be transparency for market	be transparency for market	

	participants concerning	participants concerning available
	available transfer capacities and	transfer capacities and the
	the security, planning and	security, planning and
	operational standards that affect	operational standards that affect
	the available transfer capacities.	the available transfer capacities.
25.	(14) To efficiently steer	(14) To efficiently steer
	necessary investments, prices	necessary investments, prices
	also need to provide signals	also need to provide signals
	where electricity is most needed.	where electricity is most needed.
	In a zonal electricity system,	In a zonal electricity system,
	correct locational signals require	correct locational signals require
	a coherent, objective and	a coherent, objective and reliable
	reliable determination of bidding	determination of bidding zones
	zones via a transparent process.	via a transparent process. In
	In order to ensure efficient	order to ensure efficient
	operation and planning of the	operation and planning of the
	Union electricity network and to	Union electricity network and to
	provide effective price signals	provide effective price signals
	for new generation capacity,	for new generation capacity,
	demand response or	demand response or
	transmission infrastructure,	transmission infrastructure,
	bidding zones should reflect	bidding zones should reflect
	structural congestion. In	structural congestion. In
	particular, cross-zonal capacity	particular, cross-zonal capacity
	should not be reduced in order	should not be reduced in order to
	to resolve internal congestion.	resolve internal congestion.
26.		(14a) To reflect the divergent
		principles of optimising
		bidding zones without
		jeopardizing liquid markets
		and grid investments two
		options should be foreseen to
		overcome congestions.
		Member States can choose
		between a bidding zone split or

measures such as grid reinforcement and grid optimisation. The starting point for such a decision should be the identification of long term structural congestions either by the transmission system operator of a Member State or by the bidding zone review. Member States should try to find a common solution first on how to best address congestions. In that course the Member States might adopt multinational or national action plans to overcome congestions. At the end of the implementation of this action plan, Member States should have a possibility to choose whether to opt for a split or whether to opt for covering remaining congestions with remedial actions for which they bear the costs. In the latter case they shall not be split against their will, as long as the level of minimum capacity benchmark is reached. The minimum level of capacity that should be used in capacity calculation should be a percentage of the capacity of a critical network element after respecting operational security limits in contingency

situation and taking account of the reliability margin. The capacity of the critical network elements should not take into account internal congestions or flows leaving and entering the same bidding zones without being scheduled. A Commission decision on the bidding zone configuration should be possible as a measure of last resort and only amend the bidding zone configuration in those Member States which have opted for a split or which have not reached the minimum level of the benchmark. For Member States adopting an action plan to overcome congestions with measures, a phase-in period for the opening of interconnectors should apply. To this end, Member State should agree on a linear trajectory the starting point of which is the capacity allocated at this border before the implementation of the action plan.

27.	(15) Efficient decarbonisation		(15) Efficient market	
	of the electricity system via		integration requires	
	market integration requires		systematically abolishing	
	systematically abolishing		barriers to cross-border trade to	
	barriers to cross-border trade to		overcome market fragmentation	
	overcome market fragmentation		and to allow Union energy	
	and to allow Union energy		customers to fully benefit from	
	customers to fully benefit from		the advantages of integrated	
	the advantages of integrated		electricity markets and	
	electricity markets and		competition.	
	competition.		-	
28.	(16) This Regulation should		(16) This Regulation should	
	lay down basic principles with		lay down basic principles with	
	regard to tarification and	1	regard to tarification and	
	capacity allocation, whilst		capacity allocation, whilst	
	providing for the adoption of		providing for the adoption of	
	guidelines detailing further		guidelines detailing further	
	relevant principles and		relevant principles and	
	methodologies, in order to allow		methodologies, in order to allow	
	rapid adaptation to changed	1	rapid adaptation to changed	
	circumstances.		circumstances.	
29.	(17) The management of		(17) The management of	
	congestion problems should		congestion problems should	
	provide correct economic	l	provide correct economic signals	
	signals to transmission system		to transmission system operators	
	operators and market		and market participants and	
	participants and should be based		should be based on market	
	on market mechanisms.	1	mechanisms.	

30.	(18) In an open, competitive	(18) In an open, competitive	e
	market, transmission system	market, transmission system	
	operators should be	operators should be	
	compensated for costs incurred	compensated for costs incurr	ed
	as a result of hosting cross-	as a result of hosting cross-	
	border flows of electricity on	border flows of electricity or	
	their networks by the operators	their networks by the operator	ors
	of the transmission systems	of the transmission systems	rom
	from which cross-border flows	which cross-border flows	
	originate and the systems where	originate and the systems wh	ere
	those flows end.	those flows end.	
31.	(19) Payments and receipts	(19) Payments and receipts	
	resulting from compensation	resulting from compensation	
	between transmission system	between transmission system	
	operators should be taken into	operators should be taken into	o
	account when setting national	account when setting national	.1
	network tariffs.	network tariffs.	
32.	(20) The actual amount	(20) The actual amount	
	payable for cross-border access	payable for cross-border acc	ess
	to the system can vary	to the system can vary	
	considerably, depending on the	considerably, depending on the	
	transmission system operator	transmission system operator	
	involved and as a result of	involved and as a result of	
	differences in the structure of	differences in the structure o	f the
	the tarification systems applied	tarification systems applied i	
	in Member States. A certain	Member States. A certain de	
	degree of harmonisation is	of harmonisation is therefore	
	therefore necessary in order to	necessary in order to avoid	
	avoid distortions of trade.	distortions of trade.	

33.	(21) There should be rules on	(21) There should be rules on
	the use of revenues flowing	the use of revenues flowing from
	from congestion-management	congestion-management
	procedures, unless the specific	procedures, unless the specific
	nature of the interconnector	nature of the interconnector
	concerned justifies an exemption	concerned justifies an exemption
	from those rules.	from those rules.
34.	(22) To provide for a level	(22) To provide for a level
	playing field between all market	playing field between all market
	participants, network tariffs	participants, network tariffs
	should be applied in a way	should be applied in a way
	which does not discriminate	which does not discriminate
	between production connected at	between production connected at
	the distribution-level with regard	the distribution-level with regard
	to the production connected at	to the production connected at
	the transmission level, either	the transmission level, either
	positively or negatively. They	positively or negatively. They
	should not discriminate against	should not discriminate against
	energy storage, and should not	energy storage, and should not
	create disincentives for	create disincentives for
	participation in demand	participation in demand response
	response or represent an	or represent an obstacle to
	obstacle to improvements in	improvements in energy
	energy efficiency.	efficiency.

35.	(23) In order to increase	(23) In order to increase
	transparency and comparability	transparency and comparability
	in tariff-setting where binding	in tariff-setting where binding
	harmonization is not seen as	harmonization is not seen as
	adequate, recommendations on	adequate, [] best practice
	tariff methodologies should be	report on tariff methodologies
	issued by the European Agency	should be issued by the
	for the Cooperation of Energy	European Agency for the
	Regulators established by [recast	Cooperation of Energy
	of Regulation (EC) No 713/2009	Regulators established by [recast
	as proposed by COM(2016)	of Regulation (EC) No 713/2009
	863/2] ("the Agency").	as proposed by COM(2016)
		863/2] ("the Agency").
36.	(24) To better ensure optimum	(24) To better ensure optimum
	investment in the trans-	investment in the trans-European
	European grid and address the	grid and address the challenge
	challenge where viable	where viable interconnection
	interconnection projects cannot	projects cannot be built for lack
	be built for lack of prioritisation	of prioritisation at national level,
	at national level, the use of	the use of congestion rents
	congestion rents should be	should be reconsidered and
	reconsidered and only allowed	contribute [] to guarantee
	in order to guarantee availability	availability and maintain or
	and maintain or increase	increase interconnection
	interconnection capacities.	capacities.
37.	(25) In order to ensure optimal	(25) In order to ensure optimal
	management of the electricity	management of the electricity
	transmission network and to	transmission network and to
	allow trading and supplying	allow trading and supplying
	electricity across borders in the	electricity across borders in the
	Union, a European Network of	Union, a European Network of
	Transmission System Operators	Transmission System Operators
	for Electricity (the ENTSO for	for Electricity (the ENTSO for
	Electricity), should be	Electricity), should be
	established. The tasks of the	established. The tasks of the

ENTSO for Electricity should be carried out in compliance with Union's competition rules which remain applicable to the decisions of the ENTSO for Electricity. The tasks of the ENTSO for Electricity should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENTSO for Electricity. The network codes prepared by the ENTSO for Electricity are not intended to replace the necessary national network codes for non-cross-border issues. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with network codes and non-binding ten-year network development plans at Union level. Member States should promote cooperation and monitor the effectiveness of the network at regional level. Cooperation at regional level should be compatible with progress

ENTSO for Electricity should be carried out in compliance with Union's competition rules which remain applicable to the decisions of the ENTSO for Electricity. The tasks of the ENTSO for Electricity should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENTSO for Electricity. The network codes prepared by the ENTSO for Electricity are not intended to replace the necessary national network codes for noncross-border issues. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure. whilst ensuring that results at regional level are compatible with network codes and nonbinding ten-year network development plans at Union level. Member States should promote cooperation and monitor the effectiveness of the network at regional level. Cooperation at regional level should be compatible with progress towards a competitive

	towards a competitive and efficient internal market in electricity.		and efficient internal market in electricity.	
38.	(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment.	AM 4 (26) A robust methodology for the long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns at the Union, regional and Member State level and the biding zone levels. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment. Capacity mechanisms should be allowed to be introduced only if the Union level resource adequacy assessment, conducted by the ENTSO-E, has identified adequacy concerns or if a positive decision concerning the implementation plan has been received from the Commission.	(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. In order to provide this objective basis for all types of capacity mechanisms, the resource adequacy assessment shall reflect in its scenarios and sensitivities the different types of capacity mechanisms. The resource adequacy concern that capacity mechanisms address should be based on [] a well coordinated national and European resource adequacy assessment.	
39.	(27) The medium to long-term resource adequacy assessment	AM 5 (27) The methodology for the	(27) The medium to long-term resource adequacy assessment	
	(from 10 year-ahead to year-	long-term resource adequacy	(from 10 year-ahead to year-	
	ahead) set out in this regulation	assessment (from 10 year-ahead to	ahead) set out in this regulation	
	has a different purpose than the	year-ahead) set out in this	has a different purpose than the	
	seasonal outlooks (six months	regulation has a different purpose	seasonal outlooks (six months	
	ahead) as set out in Article 9	than the seasonal outlooks (six months ahead) as set out in Article	ahead) as set out in Article 9	
	[Regulation on risk preparedness as proposed by COM(2016)	9 [Regulation on risk preparedness	[Regulation on risk preparedness as proposed by COM(2016)	
	862]. Medium- to long-term	as proposed by COM(2016) 862].	862]. Medium- to long-term	

	assessments are mainly used to	Medium- to long-term assessments	assessments are mainly used to	
	assess the need for capacity	are mainly used to <i>identify</i>	assess the need for capacity	
	mechanisms whereas seasonal	adequacy concerns whereas	mechanisms whereas seasonal	
	outlooks are used to alert to	seasonal outlooks are used to alert	outlooks are used to alert to risks	
	risks that might occur in the	to <i>short-term</i> risks that might occur	that might occur in the following	
	following six months that are	in the following six months that are	six months that are likely to	
	likely to result in a significant	likely to result in a significant	result in a significant	
	deterioration of the electricity	deterioration of the electricity	deterioration of the electricity	
	supply situation. In addition,	supply situation. In addition,	supply situation. In addition, []	
	Regional Operational Centres	Regional <i>Coordination</i> Centres	Regional Security	
	also carry out regional adequacy	also carry out regional adequacy	Coordinators also carry out	
	assessments as defined in	assessments as defined in European	regional adequacy assessments	
	European legislation on	legislation on electricity	as defined in European	
	electricity transmission system	transmission system operation.	legislation on electricity	
	operation. These are very short-	These are very short-term adequacy	transmission system operation.	
	term adequacy assessments	assessments (from weak-ahead to	These are very short-term	
	(from weak-ahead to day-ahead)	day-ahead) used in the context of	adequacy assessments (from	
	used in the context of system	system operation.	weak-ahead to day-ahead) used	
	operation.		in the context of system	
			operation.	
40.	(28) Prior to introducing		(28) Prior to introducing	
	capacity mechanisms, Member		capacity mechanisms, Member	
	States should assess regulatory		States should assess regulatory	
	distortions contributing to the		distortions contributing to the	
	related resource adequacy		related resource adequacy	
	concern. They should be		concern. They should be	
	required to adopt measures to		required to adopt measures to	
	eliminate the identified		eliminate the identified	
	distortions including a timeline		distortions including a timeline	
	for their implementation.		for their implementation.	
	Capacity mechanisms should		Capacity mechanisms should	
	only be introduced for the		only be introduced for the []	
	residual concerns that cannot be		concerns that cannot be	
	addressed through removing		addressed through removing	
	such distortions.		such distortions.	

41.		AM 6 (28a) Member States should introduce capacity mechanisms only as a last resort, where adequacy concerns cannot be addressed through the removal of existing market distortions. Before introducing a capacity mechanism which operates within the electricity market and therefore is market-distortive, Member States should evaluate whether strategic reserves would be sufficient to address their adequacy concerns. Strategic reserves are less distortive since they operate only outside the market and only in rare cases when markets can no longer clear. Strategic reserves can avoid financial consequences to market operators that cannot fulfil their balancing responsibilities and that would consequently bear		
42.	(29) Member States intending to introduce capacity	significant cost.	(29) Member States intending to introduce capacity	
	mechanisms should derive resource adequacy targets		mechanisms should derive resource adequacy targets	
	following a transparent and		following a transparent and	
	verifiable process. Member		verifiable process. Member States should have the freedom	
	States should have the freedom to set their own desired level of		to set their own desired level of	
	security of supply.		security of supply.	

43.	(30) Main principles of capacity mechanisms should be laid down, building on the environmental and energy State aid principles and the findings of DG Competition's Sector Inquiry on capacity mechanisms. Capacity mechanisms already in place should be reviewed in light of these principles. In case the European resource adequacy assessment reveals the absence of any adequacy concern, no new capacity mechanism should be established and no new capacity commitments under mechanisms already in place should be made. The application of the State aid control rules pursuant to Articles 107 to 109 TFUE must be complied with at		(30) Main principles of capacity mechanisms should be laid down. Capacity mechanisms already in place should be reviewed in light of these principles. In case the European and the national resource adequacy assessment reveals the absence of any adequacy concern, no new capacity mechanism should be established and no new capacity commitments under mechanisms already in place should be made. The application of the State aid control rules pursuant to Articles 107 to 109 TFUE must be complied with at all times.	
44.	all times. (31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than reserve schemes should be laid down. Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation	AM 7 (31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than strategic reserves should be laid down in this Regulation. Transmission system operators across the borders should facilitate the participation of interested generators in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation	(31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than reserve schemes should be laid down. Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to	

45.	would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States. (32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by strengthening the decision-making power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.	would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.	which cross-border participation would be possible, enable participation and check availabilities. [] Regulatory authorities should enforce the cross-border rules in the Member States. (32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by strengthening the decision-making power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.	
46.	(33) The coordination between transmission system operators at regional level has been formalised with the mandatory participation of transmission		(33) The coordination between transmission system operators at regional level has been formalised with the mandatory participation of transmission	

	system operators in regional security coordinators, which should be complemented by an enhanced institutional framework via the establishment of regional operational centres. The creation of regional operational centres should take into account existing regional coordination initiatives and support the increasingly integrated operation of electricity systems across the Union, ensuring their efficient and secure performance.	system operators in regional security coordinators, which should be [] further developed and support the increasingly integrated operation of electricity systems across the Union, ensuring their efficient and secure performance.	
47.	(34) The geographical scope of regional operational centres should allow them to play an effective coordination role by optimising the operations of transmission system operators over larger regions.	[] Regional Security Coordinators should allow them to play an effective contribution to the coordination of [] the operations of transmission system operators over [] regions and lead to enhanced system security and market efficiency. Regional Security Coordinators should have the flexibility to carry out the tasks in the region as best adapted to the nature of the individual tasks entrusted to them.	

48.	(35) Regional operational	AM 8	(35) [] Regional Security	
	centres should carry out	(35) Regional <i>coordination</i>	Coordinators should fulfil	
	functions where their	centres should carry out functions	tasks where their regionalisation	
	regionalisation brings added	where their regionalisation brings	brings added value compared to	
	value compared to functions	added value compared to functions	functions performed at national	
	performed at national level. The	performed at national level. The	level. The [] tasks of []	
	functions of regional operational	functions of regional operational	Regional Security	
	centres should cover the	centres should cover the functions	Coordinators should cover the	
	functions carried out by regional	carried out by regional security	functions carried out by regional	
	security coordinators as well as	coordinators as well as additional	security coordinators pursuant	
	additional system operation,	functions with regional	to the System Operation	
	market operation and risk	<i>importance</i> . The functions carried	Guideline ³ as well as additional	
	preparedness functions. The	out by regional <i>coordination</i>	system operation, market	
	functions carried out by regional	centres should exclude real time	operation and risk preparedness	
	operational centres should	operation of the electricity system.	functions. The [] tasks carried	
	exclude real time operation of		out by [] Regional Security	
	the electricity system.		Coordinators should exclude	
			real time operation of the	
			electricity system.	
49.		AM 9		
		(35 a) In performing their		
		functions, regional coordination		
		centres shall contribute to the		
		achievement of the 2030 and 2050		
		objectives set out in the climate		
		and energy policy framework.		

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³ Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (OJ L 220, 25.8.2017, p. 1).

50.	(36) Regional operational	(36) [] Regional Security
	centres should primarily act in	Coordinators should primarily
	the interest of system and	act in the interest of system and
	market operation of the region	market operation of the region
	over the interests of any single	over the interests of any single
	entity. Hence, regional	entity. Hence, [] Regional
	operational centres should be	Security Coordinators should
	entrusted with decision-making	be entrusted with [] powers
	powers to act and to direct	necessary to support []
	actions to be taken by	actions to be taken by
	transmission system operators of	transmission system operators of
	the system operation region for	the system operation region for
	certain functions and with an	certain functions and with an
	enhanced advisory role for the	enhanced advisory role for the
	remaining functions.	remaining functions.
51.	(37) ENTSO for Electricity	(37) ENTSO for Electricity
	should ensure that the actions of	should ensure that the actions of
	regional operational centres are	[] Regional Security
	coordinated across the regions'	Coordinators are coordinated
	boundaries.	across the regions' boundaries.
52.	(38) In order to raise	(38) In order to raise
	efficiencies in the electricity	efficiencies in the electricity
	distribution networks in the	distribution networks in the
	Union and ensure close	Union and ensure close
	cooperation with transmission	cooperation with transmission
	system operators and ENTSO	system operators and ENTSO
	for electricity, a European entity	for electricity, a European entity
	of distribution system operators	of distribution system operators
	in the Union ("EU DSO entity")	in the Union ("EU DSO entity")
	should be established. The tasks	should be established. The tasks
	of the EU DSO entity should be	of the EU DSO entity should be
	well-defined and its working	well-defined and its working
	method should ensure	method should ensure
	efficiency, transparency and	efficiency, transparency and
	representativeness amongst the	representativeness amongst the

	Union distribution system	Union distribution system	
	operators. The EU DSO Entity	operators. The EU DSO Entity	
	should closely cooperate with	should closely cooperate with	
	ENTSO for Electricity on the		
	ENTSO for Electricity on the	ENTSO for Electricity on the	
	preparation and implementation	preparation and implementation	
	of the network codes where	of the network codes where	
	applicable and should work on	applicable and should work on	
	providing guidance on the	providing guidance on the	
	integration inter alia of	integration inter alia of	
	distributed generation and	distributed generation and	
	storage in distribution networks	storage in distribution networks	
	or other areas which relate to the	or other areas which relate to the	
	management of distribution	management of distribution	
	networks.	networks. The EU DSO shall	
		also take due consideration of	
		the specificities inherent in	
		distribution systems connected	
		downstream with electricity	
		systems on islands which are	
		not connected with other	
		electricity systems via	
		interconnectors.	
53.	(39) Increased cooperation and	(39) Increased cooperation and	
	coordination among	coordination among	
	transmission system operators is	transmission system operators is	
	required to create network codes	required to create network codes	
	for providing and managing	for providing and managing	
	effective and transparent access	effective and transparent access	
	to the transmission networks	to the transmission networks	
	across borders, and to ensure	across borders, and to ensure	
	coordinated and sufficiently	coordinated and sufficiently	
	forward-looking planning and	forward-looking planning and	
	sound technical evolution of the	sound technical evolution of the	
	transmission system in the	transmission system in the	
	Union, including the creation of	Union, including the creation of	
	emon, merdanig the creation of	Cinon, including the election of	

	interconnection capacities, with	interconnection capacities, with
	due regard to the environment.	due regard to the environment.
	Those network codes should be	Those network codes should be
	in line with framework	in line with framework
	guidelines, which are non-	guidelines, which are non-
	binding in nature (framework	binding in nature (framework
	guidelines) and which are	guidelines) and which are
	developed by the Agency . The	developed by the Agency. The
	Agency should have a role in	Agency should have a role in
	reviewing, based on matters of	reviewing, based on matters of
	fact, draft network codes,	fact, draft network codes,
	including their compliance with	including their compliance with
	the framework guidelines, and it	the framework guidelines, and it
	should be enabled to	should be enabled to recommend
	recommend them for adoption	them for adoption by the
	by the Commission. The	Commission. The Agency
	Agency should assess proposed	should assess proposed
	amendments to the network	amendments to the network
	codes and it should be enabled	codes and it should be enabled
	to recommend them for adoption	to recommend them for adoption
	by the Commission.	by the Commission.
	Transmission system operators	Transmission system operators
	should operate their networks in	should operate their networks in
	accordance with those network	accordance with those network
	codes.	codes.
54.	(40) To ensure the smooth	(40) To ensure the smooth
	functioning of the internal	functioning of the internal
	market in electricity, provision	market in electricity, provision
	should be made for procedures	should be made for procedures
	which allow the adoption of	which allow the adoption of
	decisions and guidelines with	decisions and guidelines with
	regard, inter alia, to tarification	regard, inter alia, to tarification
	and capacity allocation by the	and capacity allocation by the
	Commission whilst ensuring the	Commission whilst ensuring the
	involvement of Member States'	involvement of Member States'

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	regulatory authorities in that	regulatory authorities in that	
	process, where appropriate	process, where appropriate	
	through their European	through their European	
	association. Regulatory	association. Regulatory	
	authorities, together with other	authorities, together with other	
	relevant authorities in the	relevant authorities in the	
	Member States, have an	Member States, have an	
	important role to play in	important role to play in	
	contributing to the proper	contributing to the proper	
	functioning of the internal	functioning of the internal	
	market in electricity.	market in electricity.	
55.	(41) All market participants	(41) All market participants	
	have an interest in the work	have an interest in the work	
	expected of the ENTSO for	expected of the ENTSO for	
	Electricity. An effective	Electricity. An effective	
	consultation process is therefore	consultation process is therefore	
	essential and existing structures	essential and existing structures	
	that are set up to facilitate and	that are set up to facilitate and	
	streamline the consultation	streamline the consultation	
	process, such as via national	process, such as via national	
	regulators or the Agency, should	regulators or the Agency, should	
	play an important role.	play an important role.	

56.	(42) In order to ensure greater transparency regarding the entire electricity transmission network in the Union, the ENTSO for Electricity should draw up, publish and regularly update a non-binding Union-wide tenyear network development plan (Union-wide network development plan). Viable electricity transmission networks and necessary regional interconnections, relevant from a commercial or security of	(42) In order to ensure greater transparency regarding the entire electricity transmission network in the Union, the ENTSO for Electricity should draw up, publish and regularly update a non-binding Union-wide tenyear network development plan (Union-wide network development plan). Viable electricity transmission networks and necessary regional interconnections, relevant from a commercial or security of supply	
57.	supply point of view, should be included in that network development plan. (43) Experience with the development and adoption of network codes has shown that it is useful to streamline the development procedure by clarifying that the Agency has the right to revise draft electricity network codes before submitting them to the Commission.	point of view, should be included in that network development plan (43) Experience with the development and adoption of network codes has shown that it is useful to streamline the development procedure by clarifying that the Agency has the right to [] approve draft electricity network codes before submitting them to the Commission.	

58.	(44) Investments in major new
	infrastructure should be
	promoted strongly while
	ensuring the proper functioning
	of the internal market in
	electricity. In order to enhance
	the positive effect of exempted
	direct current interconnectors on
	competition and security of
	supply, market interest during
	the project-planning phase
	should be tested and congestion-
	management rules should be
	adopted. Where direct current
	interconnectors are located in
	the territory of more than one
	Member State, the Agency
	should handle as a last resort the
	exemption request in order to
	take better account of its cross-
	border implications and to
	facilitate its administrative
	handling. Moreover, given the
	exceptional risk profile of
	constructing those exempt major
	infrastructure projects,
	undertakings with supply and
	production interests should be
	able to benefit from a temporary
	derogation from the full
	unbundling rules for the projects
	concerned. Exemptions granted

(44) Investments in major new infrastructure should be promoted strongly while ensuring the proper functioning of the internal market in electricity. In order to enhance the positive effect of exempted direct current interconnectors on competition and security of supply, market interest during the project-planning phase should be tested and congestionmanagement rules should be adopted. Where direct current interconnectors are located in the territory of more than one Member State, the Agency should handle as a last resort the exemption request in order to take better account of its crossborder implications and to facilitate its administrative handling. Moreover, given the exceptional risk profile of constructing those exempt major infrastructure projects, undertakings with supply and production interests should be able to benefit from a temporary derogation from the full unbundling rules for the projects concerned. Exemptions granted

	under Regulation (EC) No	under Regulation (EC) No
	1228/2003 ⁴ continue to apply	1228/2003 ⁵ continue to apply
	until the scheduled expiry date	until the scheduled expiry date
	as decided in the granted	as decided in the granted
	exemption decision.	exemption decision.
59.	(45) To enhance trust in the	(45) To enhance trust in the
	market, its participants need to	market, its participants need to
	be sure that those engaging in	be sure that those engaging in
	abusive behaviour can be	abusive behaviour can be subject
	subject to effective,	to effective, proportionate and
	proportionate and dissuasive	dissuasive penalties. The
	penalties. The competent	competent authorities should be
	authorities should be given the	given the competence to
	competence to investigate	investigate effectively
	effectively allegations of market	allegations of market abuse. To
	abuse. To that end, it is	that end, it is necessary that
	necessary that competent	competent authorities have
	authorities have access to data	access to data that provides
	that provides information on	information on operational
	operational decisions made by	decisions made by supply
	supply undertakings. In the	undertakings. In the electricity
	electricity market, many	market, many relevant decisions
	relevant decisions are made by	are made by the generators,
	the generators, which should	which should keep information
	keep information in relation	in relation thereto available to
	thereto available to and easily	and easily accessible by the
	accessible by the competent	competent authorities for a fixed
	authorities for a fixed period of	period of time. The competent
	time. The competent authorities	authorities should, furthermore,
	should, furthermore, regularly	regularly monitor the

Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity (OJ L 176, 15.7.2003, p. 1).
Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border

⁵ exchanges in electricity (OJ L 176, 15.7.2003, p. 1).

	monitor the compliance of the	compliance of the transmission	
	transmission system operators	system operators with the rules.	
	with the rules. Small generators	Small generators with no real	
	with no real ability to distort the	ability to distort the market	
	market should be exempt from	should be exempt from that	
	that obligation.	obligation.	
60.	(46) The Member States and	(46) The Member States and	
	the competent national	the competent national	
	authorities should be required to	authorities should be required to	
	provide relevant information to	provide relevant information to	
	the Commission. Such	the Commission. Such	
	information should be treated	information should be treated	
	confidentially by the	confidentially by the	
	Commission. Where necessary,	Commission. Where necessary,	
	the Commission should have an	the Commission should have an	
	opportunity to request relevant	opportunity to request relevant	
	information directly from	information directly from	
	undertakings concerned,	undertakings concerned,	
	provided that the competent	provided that the competent	
	national authorities are	national authorities are	
	informed.	informed.	

(1	(47)) (1 0) (1 111	(47)) 6 1 0 4 1 111
61.	(47) Member States should lay	(47) Member States should lay
	down rules on penalties	down rules on penalties
	applicable to infringements of	applicable to infringements of
	the provisions of this Regulation	the provisions of this Regulation
	and ensure that they are	and ensure that they are
	implemented. Those penalties	implemented. Those penalties
	must be effective, proportionate	must be effective, proportionate
	and dissuasive.	and dissuasive.
62.	(48) Member States and the	(48) Member States, [] the
	Energy Community Contracting	Energy Community Contracting
	Parties should closely cooperate	Parties and other third
	on all matters concerning the	countries_which are applying
	development of an integrated	this Regulation or are part of
	electricity trading region and	the synchronous grid of
	should take no measures that	Continental Europe should
	endanger the further integration	closely cooperate on all matters
	of electricity markets or security	concerning the development of
	of supply of Member States and	an integrated electricity trading
	Contracting Parties.	region and should take no
		measures that endanger the
		further integration of electricity
		markets or security of supply of
		Member States and Contracting
		Parties.

(49) In order to ensure the minimum degree of harmonization required for effective market functioning, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of areas which are fundamental for market integration. These should include the geographical area for regional cooperation of transmission system operators, the amount of compensation payments between transmission system operators, the adoption and amendment of network codes and guidelines, as well as the application of exemption provisions for new interconnectors. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the

(49) At the time of adoption of Regulation 714/2009, only few rules for the internal electricity market existed at EU level. Since then, the EU internal market has become more complex due to the fundamental change the markets are undergoing in particular regarding deployment of variable renewable electricity production. Therefore the **Network Codes and Guidelines** have become extensively comprehensive addressing both technical and general issues. In order to ensure the minimum degree of harmonization required for effective market functioning, the power to adopt and amend implementing acts in accordance with Article 291 of the Treaty on the Functioning of the European Union should be [**l conferred** to the Commission in respect of non-essential elements of certain specific areas which are fundamental for market integration. These should include [] the adoption and amendment of network codes and guidelines, as well as the application of exemption

Council receive all documents at	pro	ovisions for new	
the same time as Member States'	inte	terconnectors. It is of	
experts, and their experts	par	rticular importance that the	
systematically have access to	Co	ommission carry out	
meetings of Commission expert	app	propriate consultations during	
groups dealing with the	its	preparatory work, including	
preparation of delegated acts.		expert level, and that those	
		nsultations be conducted in	
	acc	cordance with the principles	
		d down in the	
	Int	terinstitutional Agreement on	
		etter Law-Making of 13 April	
	20	16 ⁶ . In particular, to ensure	
	equ	ual participation in the	
	pre	eparation of []	
	im	plementing acts, the	
	Eu	propean Parliament and the	
	Co	ouncil receive all documents at	
	the	e same time as Member States'	
	ext	perts, and their experts	
		stematically have access to	
		eetings of Commission expert	
	gro	oups dealing with the	
		eparation of []	
	_	plementing acts.	

OJ L 123, 12.5.2016, p. 1.

64.		(49a) The empowerment of the Commission to amend network codes and guidelines is limited until 31 December 2027. This interim period shall provide sufficient time for the Commission to carry out a review of the existing network codes and guidelines and if needed propose legislative acts of the Union.	
65.	(50) Since the objective of this Regulation, namely the provision of a harmonised framework for cross-border exchanges of electricity, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective. HAVE ADOPTED THIS REGULATION:	(50) Since the objective of this Regulation, namely the provision of a harmonised framework for cross-border exchanges of electricity, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 of the Treaty on European Union . In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.	

66.	(51) Market rules should
	enable the integration of
	electricity from renewable
	energy sources and provide
	incentives for increasing
	energy efficiency.
67.	(52) For reasons of coherence
	and legal certainty, nothing in
	this Regulation should prevent
	the application of the
	derogations emerging from
	[Article 66] of [Electricity
	Directive].
68.	(53) With regard to
	balancing markets, efficient
	and non-distortive price
	formation in the procurement
	of balancing capacity and
	balancing energy requires that
	balancing capacity does not set
	the price for balancing energy.
	This is without prejudice for
	the dispatching systems using
	an integrated scheduling
	process according to the
	Commission Regulation (EU)
	2017/XXXX [Balancing].
	HAVE ADOPTED THIS
	REGULATION:

69.		Subject mat	Chapter I ter, scope and definitions	
70.		Subjec	Article I ct-matter and scope	
71.	This Regulation aims at: (a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030 ⁷ by enabling market signals to be delivered for increased flexibility, decarbonisation and innovation;	(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030 ³⁰ by enabling market signals to be delivered for increased flexibility, efficiency, decarbonisation, innovation and a higher share of renewable energy sources.	This Regulation aims at: (a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030 ⁸ by enabling market signals to be delivered for increased security of supply, flexibility, sustainability, decarbonisation and innovation;	(a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030 ⁹ by enabling market signals to be delivered for increased efficiency, higher share of renewable energy sources, security of supply, flexibility, sustainability, decarbonisation and innovation;

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⁷ COM/2014/015 final.

⁸ COM/2014/015 final.

COM/2014/015 final.

setting fundamental (b) principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable demand response and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy by enabling market integration and marketbased remuneration of electricity generated from renewable sources;

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(b) setting fundamental principles for well-functioning cross-border, integrated and liquid electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable competitiveness on the global market, demand response, energy storage and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy by enabling market and sectoral integration and market-based remuneration of electricity generated from renewable sources:

(b) setting fundamental principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable demand response and energy efficiency, facilitate aggregation of distributed demand and supply, [] and enable market integration and market-based remuneration of electricity generated from renewable sources:

Accept in part:

(b) setting fundamental principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable competitiveness on the global market as well as demand response, energy storage and energy efficiency, facilitate aggregation of distributed demand and supply, [] and enabling market and sectoral integration and market-based remuneration of electricity generated from renewable sources;

			T	
73.	(c) setting fair rules for cross-		(c) setting fair rules for cross-	No change
	border exchanges in electricity,		border exchanges in electricity,	
	thus enhancing competition		thus enhancing competition	
	within the internal market in		within the internal market in	
	electricity, taking into account		electricity, taking into account	
	the particular characteristics of		the particular characteristics of	
	national and regional markets.		national and regional markets.	
	This includes the establishment		This includes the establishment	
	of a compensation mechanism		of a compensation mechanism	
	for cross-border flows of		for cross-border flows of	
	electricity and the setting of		electricity and the setting of	
	harmonised principles on cross-		harmonised principles on cross-	
	border transmission charges and		border transmission charges and	
	the allocation of available		the allocation of available	
	capacities of interconnections		capacities of interconnections	
	between national transmission		between national transmission	
	systems;		systems;	
74.	(d) facilitating the emergence	AM 12	(d) facilitating the emergence	Accept in part:
	of a well-functioning and	(d) facilitating the emergence of	of a well-functioning and	(d) facilitating the emergence of a well-
	transparent wholesale market	a well-functioning, <i>liquid</i> and	transparent wholesale market	functioning and transparent whole sale market
	with a high level of security of	transparent whole sale market	with a high level of security of	contributing to a high level of security of
	supply in electricity. It provides	contributing to a high level of	supply in electricity. It provides	supply in electricity. It provides for
	for mechanisms to harmonise	security of supply in electricity. It	for mechanisms to harmonise	mechanisms to harmonise the rules for cross-
	the rules for cross-border	provides for mechanisms to	the rules for cross-border	border exchanges in electricity.
	exchanges in electricity.	harmonise the rules for cross-	exchanges in electricity	
		border exchanges in electricity.		

<i>75</i> .		Article 2
	<u> </u>	Definitions
76.	1. For the purpose of this Regulation, the definitions contained in Article 2 of Directive [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], in Article 2 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council ¹⁰ , in Article 2 of Commission Regulation (EU) No 543/2013 ¹¹ and in Article 2 of [Recast Renewable Energies Directive] apply.	1. For the purpose of this Regulation, the definitions contained in Article 2 of Directive [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], in Article 2 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council ¹² , in Article 2 of Commission Regulation (EU) No 543/2013 ¹³ and in Article 2 of [Recast Renewable Energies Directive] apply [with the exception of the definition of 'interconnector' which shall be replaced by the following: 'interconnector' means a transmission line which crosses or spans a border between Member States and which connects the national transmission systems of the Member States.]

Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

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¹¹ Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (OJ L 163, 15.6.2013, p. 1).

Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (OJ L 163, 15.6.2013, p. 1).

77.	2. In addition, the following		2. In addition, the following	
	definitions shall apply:		definitions shall apply:	
78.	(a) 'regulatory authorities'		(a) 'regulatory authorities'	
	means the regulatory authorities		means the regulatory authorities	
	referred to in Article 57(1) of		referred to in Article 57(1) of	
	[recast of Directive 2009/72/EC		[recast of Directive 2009/72/EC	
	as proposed by COM(2016)		as proposed by COM(2016)	
	864/2];		864/2];	
79.	(b) 'cross-border flow' means		(b) 'cross-border flow' means	
	a physical flow of electricity on		a physical flow of electricity on	
	a transmission network of a		a transmission network of a	
	Member State that results from		Member State that results from	
	the impact of the activity of		the impact of the activity of	
	producers and/or customers		producers and/or customers	
	outside that Member State on its		outside that Member State on its	
	transmission network;		transmission network;	
80.	(c) 'congestion' means a	AM 13	(c) 'congestion' means a	
	situation in which all requests	(c) 'congestion' means a	situation in which all requests	
	from market participants to trade	situation in which all requests from	from market participants to trade	
	between two bidding zones	market participants to trade []	between [] network areas	
	cannot be accommodated	cannot be accommodated because	cannot be accommodated	
	because they would significantly	they would significantly affect the	because they would significantly	
	affect the physical flows on	physical flows on network elements	affect the physical flows on	
	network elements which cannot	which cannot accommodate those	network elements which cannot	
	accommodate those flows;	flows;	accommodate those flows;	

81.	(d) 'new interconnector'		(d) 'new interconnector'	
	means an interconnector not		means an interconnector not	
	completed by 4 August 2003;		completed by 4 August 2003;	
82.	(e) 'structural congestion'	AM 14	(e) 'structural congestion'	
	means congestion in the	(e) 'structural congestion' means	means congestion in the	
	transmission system that is	congestion in the transmission	transmission system that can be	
	predictable, is geographically	system that is predictable, []	unambiguously defined, is	
	stable over time, and is	geographically stable over time,	predictable, is geographically	
	frequently reoccurring under	and frequently reoccurring under	stable over time, and is	
	normal power system	normal power system conditions;	frequently reoccurring under	
	conditions;		normal power system	
			conditions;	
83.	(f) 'market operator' means		(f) 'market operator' means	
	an entity that provides a service		an entity that provides a service	
	whereby the offers to sell		whereby the offers to sell	
	electricity are matched with bids		electricity are matched with bids	
	to buy electricity;		to buy electricity;	
84.	(g) 'nominated electricity		(g) 'nominated electricity	
	market operator' or 'NEMO'		market operator' or 'NEMO'	
	means a market operator		means a market operator	
	designated by the competent		designated by the competent	
	authority to perform tasks		authority to perform tasks	
	related to single day-ahead or		related to single day-ahead or	
	single intraday coupling;		single intraday coupling;	
85.	(h) 'value of lost load' means		(h) 'value of lost load' means	
	an estimation in €/MWh, of the		an estimation in €/MWh, of the	
	maximum electricity price that		maximum electricity price that	
	customers are willing to pay to		customers are willing to pay to	
	avoid an outage;		avoid an outage;	

86.	(i) 'balancing' means all	(i) 'balancing' means all
00.	`,	
	actions and processes, in all	actions and processes, in all
	timelines, through which	timelines, through which
	transmission system operators	transmission system operators
	ensure, in a continuous way,	ensure, in a continuous way,
	maintenance of the system	maintenance of the system
	frequency within a predefined	frequency within a predefined
	stability range and compliance	stability range and compliance
	with the amount of reserves	with the amount of reserves
	needed with respect to the	needed with respect to the
	required quality;	required quality;
87.	(j) 'balancing energy' means	(j) 'balancing energy' means
	energy used by transmission	energy used by transmission
	system operators to perform	system operators to perform
	balancing;	balancing;
88.	(k) 'balancing service	(k) 'balancing service
	provider' means a market	provider' means a market
	participant providing either or	participant providing either or
	both balancing energy and	both balancing energy and
	balancing capacity to	balancing capacity to
	transmission system operators;	transmission system operators;

89.	(l) 'balancing capacity'	(l) 'balancing capacity' mean	3
	means a volume of capacity that	a volume of capacity that a	
	a balancing service provider has	balancing service provider has	
	agreed to hold to and in respect	agreed to hold to and in respect	
	to which the balancing service	to which the balancing service	
	provider has agreed to submit	provider has agreed to submit	
	bids for a corresponding volume	bids for a corresponding volume	
	of balancing energy to the	of balancing energy to the	
	transmission system operator for	transmission system operator fo	
	the duration of the contract;	the duration of the contract;	
90.	(m) 'balance responsible party'	(m) 'balance responsible party	
	means a market participant or its	means a market participant or it	
	chosen representative	chosen representative	
	responsible for its imbalances in	responsible for its imbalances in	
	the electricity market;	the electricity market;	
91.	(n) 'imbalance settlement	(n) 'imbalance settlement	
	period' means the time unit for	period' means the time unit for	
	which the imbalance of the	which the imbalance of the	
	balance responsible parties is	balance responsible parties is	
	calculated;	calculated;	
92.	(o) 'imbalance price' means	(o) 'imbalance price' means	
	the price, be it positive, zero or	the price, be it positive, zero or	
	negative, in each imbalance	negative, in each imbalance	
	settlement period for an	settlement period for an	
	imbalance in each direction;	imbalance in each direction;	
93.	(p) 'imbalance price area'	(p) 'imbalance price area'	
	means the area in which an	means the area in which an	
	imbalance price is calculated;	imbalance price is calculated;	
94.	(q) 'prequalification process'	(q) 'prequalification process'	
	means the process to verify the	means the process to verify the	
	compliance of a provider of	compliance of a provider of	
	balancing capacity with the	balancing capacity with the	
	requirements set by the	requirements set by the	
	transmission system operators;	transmission system operators;	

95.	(r) 'reserve capacity' means	(r) 'reserve capacity' means	
	the amount of frequency	the amount of frequency	
	containment reserves, frequency	containment reserves, frequency	
	restoration reserves or	restoration reserves or	
	replacement reserves that needs	replacement reserves that needs	
	to be available to the	to be available to the	
	transmission system operator;	transmission system operator;	
96.	(s) 'priority dispatch' means	(s) 'priority dispatch' means	
	the dispatch of power plants on	in self-dispatch model the	
	the basis of criteria different	dispatch of power plants on the	
	from the economic order of bids	basis of criteria different from	
	and, in central dispatch systems,	the economic order of bids and,	
	network constraints, giving	in central dispatch model also	
	priority to the dispatch of	from network constraints,	
	particular generation	giving priority to the dispatch of	
	technologies;	particular generation	
		technologies;	
97.	(t) 'capacity calculation	(t) 'capacity calculation	
	region' means the geographic	region' means the geographic	
	area in which the coordinated	area in which the coordinated	
	capacity calculation is applied;	capacity calculation is applied;	

98.	(u) 'capacity mechanism'	AM 15	(u) 'capacity mechanism'	
	means an administrative	(u) capacity mechanism' means	means an administrative	
	measure to ensure the	temporary administrative measures	measure or a market based	
	achievement of the desired level	taken by Member States to fill the	measure to ensure the	
	of security of supply by	expected resource adequacy gap	achievement of the desired level	
	remunerating resources for their	for electricity supply to match	of [] resource adequacy by	
	availability not including	electricity demand by offering	remunerating resources for their	
	measures relating to ancillary	additional payments to capacity	availability not including	
	services;	providers that operate in the	measures relating to ancillary	
		electricity market, in addition to	services and congestion	
		income obtained by selling	management ;	
		electricity on the market in return		
		for the availability of existing		
		capacity or investment in new		
		capacity to guarantee the		
		<i>necessary</i> level of security of		
		supply;		

99.	(v) 'strategic reserve' means a	AM 16		
	capacity mechanism in which	(v) 'strategic reserve' means a		
	resources are only dispatched in	capacity mechanism in which		
	case day-ahead and intraday	resources are held outside the		
	markets have failed to clear,	electricity market and are only		
	transmission system operators	dispatched in case day-ahead and		
	have exhausted their balancing	intraday markets have failed to		
	resources to establish an	clear, transmission system		
	equilibrium between demand	operators have exhausted their		
	and supply, and imbalances in	balancing resources to establish an		
	the market during periods where	equilibrium between demand and		
	the reserves were dispatched are	supply, and imbalances in the		
	settled at the value of lost load;	market during periods where the		
		reserves were dispatched are settled		
		at least at technical price limits or		
		at the value of lost load;		
100.	(w) 'high-efficiency		(w) 'high-efficiency	
	cogeneration' means		cogeneration' means	
	cogeneration meeting the criteria		cogeneration meeting the criteria	
	laid down in Annex II of		laid down in Annex II of	
	Directive 2012/27/EU of the		Directive 2012/27/EU of the	
	European Parliament and of the		European Parliament and of the	
	Council ¹⁴ ;		Council ¹⁵ ;	
101.	(x) 'demonstration project'		(x) 'demonstration project'	
	means a project demonstrating a		means a project demonstrating a	
	technology as a first of its kind		technology as a first of its kind	
	in the Union and representing a		in the Union and representing a	
	significant innovation that goes		significant innovation that goes	
	well beyond the state of the art.		well beyond the state of the art.	

Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

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102.	(y) 'market participant'	
	means a natural or legal	
	person, who is generating,	
	buying or selling electricity,	
	demand response or storage	
	services, including the placing	
	of orders to trade, in one or	
	more electricity markets	
	including balancing energy	
	markets.	
103.	(z) 'redispatching' means a	
	measure, including	
	curtailment, activated by one	
	or several system operators by	
	altering the generation and/or	
	load pattern in order to	
	change physical flows in the	
	transmission system and	
	relieve a physical congestion.	
104.	(aa) 'countertrading' means	
	a cross zonal exchange	
	initiated by system operators	
	between two bidding zones to	
	relieve physical congestion.	
105.	(bb) 'power generating	
	facility' means a facility that	
	converts primary energy into	
	electrical energy and which	
	consists of one or more power	
	generating modules connected	
	to a network.	

(cc) 'central dispatching	
the integrated scheduling	
process.	
(dd) 'standard balancing	
product' means a harmonised	
balancing product defined by	
all TSOs for the exchange of	
balancing services as set out in	
the Balancing Guideline	
product' means a product	
different from a standard	
product, the requirements for	
which are set out in the	
	(dd) 'standard balancing product' means a harmonised balancing product defined by all TSOs for the exchange of balancing services as set out in the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. (ee) 'specific balancing product' means a product different from a standard product, the requirements for

109.			(ff) 'delegated operator' means an entity to whom specific tasks or obligations entrusted to a transmission system operator or nominated electricity market operator under this Regulation or any other Regulation, Directive, Network Code or Guideline have been delegated by that transmission system operator or nominated electricity market operator or have been assigned by a Member State or Regulatory Authority;	Maintain Council GA (The proposal in REV 1 was to delete this definition; however, the Presidency decided to revert to general approach.)
110.	Chapter II General rules for the electricity market			
111.	-	Principles regarding i	Article 3 the operation of electricity markets	
112.	1. Member States, national regulatory authorities, transmission system operators, distribution system operators, and market operators shall ensure that electricity markets are operated in accordance with the following principles:	AM 17 1. Member States, national regulatory authorities, transmission system operators, distribution system operators, market operators and third parties to whom responsibilities have been delegated or assigned, shall ensure that electricity markets are operated in accordance with the following principles:	1. Member States, national regulatory authorities, transmission system operators, distribution system operators, [] market operators and delegated operators shall ensure that electricity markets are operated in accordance with the following principles:	Maintain Council GA (The proposal was to accept AM 17 instead of GA; however, due to the fact that the Presidency decided to preserved definition (ff) above, it was necessary to keep GA in this paragraph.)
113.	(a) prices shall be formed based on demand and supply;		(a) prices shall be formed based on demand and supply.	No change

114.	(b) actions which prevent price formation on the basis of demand and supply or constitute a disincentive to the development of more flexible generation, low carbon generation, or more flexible demand shall be avoided;	AM 18 (b) actions which prevent price formation on the basis of demand and supply shall be avoided;	(b) actions which prevent price formation on the basis of demand and supply or constitute a disincentive to the development of more flexible generation, low carbon generation, or more flexible demand shall be avoided;	Accept modified AM (b) market rules shall encourage free price formation and avoid actions which prevent price formation on the basis of demand and supply [];
115.		AM 19 Article 3 – paragraph 1 – point b a (new) (ba) the development of more flexible generation, sustainable low carbon generation, and more flexible demand shall be promoted;		Accept modified AM (ba) market rules shall <u>facilitate</u> the development of more flexible generation, sustainable low carbon generation, and more flexible demand [];
116.	(c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets;	AM 20 (c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets and be empowered to act as participant in the energy market and the energy transition;	(c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets;	Accept (c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets and be empowered to act as participant in the energy market and the energy transition;
117.	(d) market participation of consumers and small businesses shall be enabled by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;		(d) market participation of consumers and small businesses shall be enabled by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;	No change

118.	(e) market rules shall support the decarbonisation of the economy by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;	(e) market rules shall support the decarbonisation of <i>the electricity system and thus</i> the economy by enabling the integration of electricity from renewable energy sources <i>including energy storage</i> and providing incentives for energy efficiency;	(e) market rules shall [] accompany the decarbonisation of the economy e.g. by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;	Accept in part: (e) market rules shall [] accompany the decarbonisation of the electricity system and thus the economy e.g. by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;
119.	(f) market rules shall deliver appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;	(f) market rules shall encourage free price formation to deliver appropriate investment incentives for generation, in particular long-term investments for a decarbonised and sustainable electricity system storage, energy efficiency, demand response and facilitate fair competition and thus ensure security of supply;	(f) market rules shall deliver appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;	Accept in part: f) market rules shall deliver appropriate investment incentives for generation, in particular long-term investments for a decarbonised and sustainable electricity system, energy storage, energy efficiency, demand response to meet market needs and facilitate fair competition and thus ensure security of supply;
120.	(g) barriers to cross-border electricity flows and cross- border transactions on electricity markets and related services markets shall be avoided;	AM 23 (g) barriers to cross-border electricity flows and cross-border transactions on electricity markets and related services markets shall be <i>removed</i> ;	(g) barriers to cross-border electricity flows between bidding zones or Member States and cross-border transactions on electricity markets and related services markets shall be avoided;	Maintain Council GA
121.	(h) market rules shall provide for regional cooperation where effective;	AM 24 (h) market rules shall provide for strong regional cooperation where effective;	(h) market rules shall provide for regional cooperation where effective;	Maintain Council GA

122.	(i) all generation, storage and demand resources shall participate on equal footing in the market;		(i) [] safe and sustainable generation, storage and demand [] shall participate on equal footing in the market, under the	Maintain Council GA
			requirements provided for in the EU law;	
123.	(j) all producers shall be directly or indirectly responsible for selling the electricity they generate;		(j) all producers shall be directly or indirectly responsible for selling the electricity they generate;	No change
124.		AM 25 Article 3 – paragraph 1 – point j a (new) (ja) electricity generation operators shall bear full financial and legal responsibility deriving from their assets;		Reject
125.	(k) market rules shall allow for progress in research and development to be realized and used to the benefit of society;	AM 26 (k) market rules shall allow for progress in research and development into sustainable, secure and low-carbon energy sources, technologies or systems to be realized and used to the benefit of society;		Maintain Council GA
126.	(l) market rules shall enable the efficient dispatch of generation assets and demand response;	AM 27 (l) market rules shall enable the efficient dispatch of generation assets, <i>storage</i> and demand response;	(l) market rules shall enable the efficient dispatch of generation assets and demand response;	Accept modified AM (l) market rules shall enable the efficient dispatch of generation assets, energy storage and demand response;

127.	(m) market rules shall allow for entry and exit of electricity generation and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;	AM 28 (m) market rules shall allow for entry and exit of electricity generation, energy storage and electricity supply undertakings based on their assessment of the economic and financial viability of their operations; effective competition and price formation;	(m) market rules shall allow for entry and exit of electricity generation and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;	Accept in part (m) market rules shall allow for entry and exit of electricity generation, energy storage and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;
128.	(n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and eliminate uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition.	(n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and <i>mitigate</i> uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition while current products offered on exchanges should be further expanded and promoted at Union level; Regulatory changes shall take into account effects on both short-term and long-term forward and futures markets and products.	(n) [] in order to allow market participants [] to be protected against price volatility risks on a market basis, and [] mitigate uncertainty on future returns on investment, long-term hedging opportunities shall be tradable on exchanges in a transparent manner and long-term supply contracts shall be negotiable over the counter, subject to compliance with EU treaty rules on competition.	Accept in part and modified (n) [] in order to allow market participants [] to be protected against price volatility risks on a market basis, and [] mitigate uncertainty on future returns on investment, long-term hedging opportunities shall be tradable on exchanges in a transparent manner and long-term supply contracts shall be negotiable over the counter, subject to compliance with EU treaty rules on competition. Market rules shall facilitate trade of products on exchanges at across the Union. Regulatory changes shall take into account effects on both short-term and long-term forward and futures markets and products.
129.			(o) market participants have a right to obtain access to the transmission and distribution networks on objective, transparent and non-discriminatory terms.	Maintain Council GA

130.	AM 30
	Article 3 a (new)
131.	Just transition
132.	The Commission shall support
	Member States that put in place a
	national strategy for the
	progressive reduction of installed
	coal and other solid fossil fuel
	generation and mining capacity
	through all available means,
	including targeted financial
	support to enable a "just
	transition" in regions affected by
	structural change. The
	Commission shall assist Member
	States to address the social, skills
	and industrial impacts of the clean
	energy transition.
133.	The Commission shall work in
	close partnership with the actors of
	coal and carbon-intensive regions,
	provide guidance, in particular for
	the access to and use of available
	funds and programmes, and shall
	encourage the exchange of good
	practices, including discussions on
	industrial roadmaps and re-
	skilling needs.

<i>134</i> .	Article 4	Article 4	
	Balancing responsibility	Balance[] responsibility	
135.	1. All market participants	1. All market participants []	
	shall aim for system balance and	shall be [] responsible for the	
	shall be financially responsible	imbalances they cause in the	
	for imbalances they cause in the	system. To that end, the	
	system. They shall either be	market participants [] shall	
	balance responsible parties or	either be balance responsible	
	delegate their responsibility to a	parties or contractually delegate	
	balance responsible party of	their responsibility to a balance	
	their choice.	responsible party of their choice.	
		In accordance with the	
		Balancing Guideline adopted	
		on the basis of Article 17 and	
		18 of the Regulation 714/2009,	
		each balance responsible party	
		shall be financially responsible	
		for its imbalances and strive to	
		be balanced or help the power	
		system to be balanced.	
136.	-	2. Member States may	
	provide for derogation from	provide [] derogations from [
	balance responsibility in respect] balancing responsibility only	
125	of:	in the following cases:	
137.	(a) demonstration projects;	(a) demonstration projects for	
		emerging technologies as	
		defined in Article 66 and 67 of	
		Regulation (EU) 2016/631¹⁶ ;	

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Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (OJ L 112, 27.4.2016, p. 1).

138.	(b) generating installations		(b) power generating facility	
	using renewable energy sources		[], using renewable energy	
	or high-efficiency cogeneration		sources or high-efficiency	
	with an installed electricity		cogeneration with a total	
	capacity of less than 500 kW;		installed electricity capacity of	
			less than [] 250 kW;	
139.	(c) installations benefitting		(c) Without prejudice to	
	from support approved by the		contracts concluded before	
	Commission under Union State		[entry into force of the	
	aid rules pursuant to Articles		legislation], and installations	
	107 to 109 TFEU, and		benefitting from support	
	commissioned prior to [OP:		approved by the Commission	
	entry into force]. Member States		under Union State aid rules	
	may, subject to Union state aid		pursuant to Articles 107 to 109	
	rules, incentivize market		TFEU, and commissioned prior	
	participants which are fully or		to [OP: entry into force].	
	partly exempted from balancing		Member States may, []	
	responsibility to accept full		without prejudice to Articles	
	balancing responsibility against		107 and 108 TFEU, incentivise	
	appropriate compensation.		market participants which are	
			fully or partly exempted from	
			balancing responsibility to	
			accept full balancing	
			responsibility[].	
140.		AM 31	2a. When a Member State	
		Article 4 – paragraph 2 a (new)	chooses to provide a	
		2a. When a Member State	derogation according to	
		chooses to provide a derogation in	Article 4 (2), they need to	
		accordance with Article 4(2), it	ensure that the financial	
		shall ensure that the financial	responsibilities of imbalances	
		responsibilities for imbalances are	are fulfilled by another party.	
		fulfilled by another party.		

141.	3. From 1 January 2026, point (b) of paragraph 2 shall apply only to generating installations using renewable energy sources or highericiency cogeneration with an installed electricity capacity of less than 250 kW.		3. For power generating facilities commissioned after 1 January 2026, point (b) of paragraph 2 shall apply only to renewable energy sources or high-efficiency cogeneration with an total installed electricity capacity of less than [] 150 kW. Member States may apply a lower threshold.	
142.		Ва	Article 5 lancing market	
143.	1. All market participants shall have access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	1. All market participants, including those providing electricity generated from variable renewable sources and demand side response and storage services shall have full access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.		Maintain Council GA

144.	2. Balancing markets shall be organised in such a way as to ensure effective non- discrimination between market participants taking account of	AM 33 2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants. <i>All</i>	 2. Balancing markets, including prequalification processes, shall be organised in such a way as to: (a) ensure effective non- 	Accept modified GA 2. Balancing markets, including prequalification processes, shall be organised in such a way as to: (a) ensure effective non-discrimination
	the different technical capability of generation from variable renewable sources and demand side response and storage.	generation, including from variable renewable sources, demand side response and storage shall be enabled to participate on	discrimination between market participants taking account of the different technical [] needs of the power system, a	between market participants taking account of the different technical [] needs of the power system and the different technical capabilities of generation sources, energy
		equal footing in balancing markets, taking account of the different technical capability.	transparent and technologically neutral definition of services and their transparent, market based procurement,	storage and demand response; (aa) ensure a transparent and technologically neutral definition of services and their transparent, market based procurement,
145.			(b) ensure access to all prequalified market participants, be it individual or through aggregation;	Accept modified GA Ref. to prequalification remains in 5(2) and 5(8). (b) ensure non-discriminatory access to all [] market participants, including electricity generated from variable renewable sources, demand response and energy storage, be it individual or through aggregation;
146.			(c) respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	Maintain Council GA
147.	3. Balancing energy shall be procured separately from balancing capacity. Procurement processes shall be transparent while at the same time respecting confidentiality.	AM 34 3. Balancing energy shall be procured separately from balancing capacity. The price of balancing energy shall not be pre-determined in a contract of balancing except where an exemption is applied in	[]	Accept modified AM This corresponds to 5(5a) of the GA; see also article 16(6) of Reg. 2017/2195 (Balancing Guideline). Exemptions see new para. 5(11). 3. The price of balancing energy shall not be pre-determined [] in a contract for balancing capacity.

		accordance with Article 16(6) of the Commission Regulation (EU) 2017/2195 ^{1a} . Procurement processes shall be transparent while at the same time respecting confidentiality. Ta Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (OJ L 312, 28.11.2017 p. 6).		Procurement processes shall be transparent while at the same time respecting confidentiality in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].
148.	4. Balancing markets shall ensure operational security whilst allowing for maximum use and efficient allocation of cross-zonal capacity across timeframes in accordance with Article 15.		4. Balancing markets shall ensure operational security whilst allowing for maximum use and efficient allocation of cross-zonal capacity across timeframes in accordance with Article 15.	No change
149.	5. Marginal pricing shall be used for the settlement of balancing energy. Market participants shall be allowed to bid as close to real time as possible, and at least after the intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222 ¹⁷ .	AM 35 5. The settlement of balancing energy shall be based on marginal pricing. On balancing markets, market participants shall be allowed to bid as close to real time as possible, and balancing energy gate closure times shall not be before intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU)	5. [] For standard and specific balancing products, the settlement of balancing energy shall be based on marginal pricing, pay-ascleared, without prejudice to the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. Market participants shall be allowed to bid as close to real time as possible, and []	Accept in part with modified GA [] The settlement of balancing energy for standard and specific balancing products shall be based on marginal pricing, pay-ascleared, [] Market participants shall be allowed to bid as close to real time as possible, and [] balancing energy gate closure times shall not be before the intraday cross-zonal gate closure time []. Transmission system operator applying a

¹⁷ Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

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	2015/1222 ³⁴ 34 Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).	balancing energy gate closure times shall not be before the intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222 ¹⁸ . Transmission system operator applying a central dispatching model may define additional rules in accordance with the Balancing Guideline adopted on the basis of Article 18 of the	central dispatching model may define additional rules in accordance with [] the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.
150.		Regulation 714/2009. 5a. The price of balancing energy shall not be predetermined in a contract for balancing capacity. An exemption for specific balancing products may be applied in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. Procurement processes shall be transparent while at the same time respecting confidentiality in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].	Accept to delete here Paragraph 5a is moved to paragraph 3.

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Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

151.	6. The imbalances shall be	6. The imbalances shall be	Accept to revert to COM original proposal
	settled at a price that reflects the	settled at a price that reflects the	6. The imbalances shall be settled at a price
	real time value of energy.	real time value of energy and	that reflects the real time value of energy.
		shall be calculated in	
		accordance with the Balancing	
		Guideline adopted on the basis	
		of Article 18 of the Regulation	
		714/2009.	
152.		6a. The imbalance price	Accept to modify GA and merge with Am 64.
		area shall be equal to a	For the part on imbalance and scheduling
		bidding zone, except in case of	areas see Article 54(2) of Reg. 2017/2195
		a central dispatching model	(Balancing Guideline).
		and in accordance with	6a. Each imbalance price area shall be equal
		Balancing Guideline adopted	to a bidding zone, except in case of a central
		on the basis of Article 18 of the	dispatching model where an imbalance price
		Regulation 714/2009. The	area may constitute a part of a bidding zone.
		imbalance area shall be equal	
		to the scheduling area, except	
		in case of a central dispatching	
		model where imbalance area	
		may constitute a part of a	
		scheduling area in accordance	
		with the Balancing Guideline	
		adopted on the basis of Article	
		18 of the Regulation 714/2009.	

153.	capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional operational centres shall support transmission system operators in determining the amount of balancing capacity that needs to be procured in accordance with point 8 of Annex I.	AM 36 7. The sizing of reserve capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional coordination centres shall support transmission system operators in determining the amount of balancing capacity that needs to be procured in accordance with point 8 of Annex I.	7. The [] dimensioning of reserve capacity shall be performed [] by the transmission system operators in accordance with the System Operation Guideline adopted on the basis of Article 18 of the Regulation 714/2009 and may be facilitated on a regional level.	Accept to modify GA 7. The [] dimensioning of reserve capacity shall be performed [] by the transmission system operators [] and may be facilitated on a regional level.
154.	8. The procurement of balancing capacity shall be facilitated on a regional level in accordance with point 8 of Annex I. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process individually or through aggregation.	8. The procurement of balancing capacity shall be performed by the transmission system operators. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process, whether market participants participate individually or through aggregation subject to technical constraints inherent in managing networks. The reservation of cross-zonal capacity for the exchange of balancing capacity shall be limited to 5% of the available capacity for the exchange of energy of the previous relevant calendar year between the respective bidding zones.	8. The procurement of balancing capacity shall be performed by the transmission system operators, facilitated on a regional level in accordance with [] Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. The procurement of balancing capacity shall be market-based [] and organised in such a way as to be non-discriminatory between market participants in the prequalification process individually or through aggregation in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].	Accept in part The reference to a primary market (COM and EP wording) clarifies that organizing balancing via obligations on all market participants with a secondary market is not sufficient. 8. The procurement of balancing capacity shall be performed by the transmission system operators and may be facilitated on a regional level []. The procurement of balancing capacity shall be market-based [] and organised in such a way as to be non-discriminatory between market participants in the prequalification process, whether market participants participate individually or through aggregation in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].

155.	9. The procurement of	AM 38	9. The procurement of	Maintain Council GA
	upward balancing capacity and	9. The procurement of upward	upward balancing capacity and	
	downward balancing capacity	balancing capacity and downward	downward balancing capacity	
	shall be carried out separately.	balancing capacity shall be carried	shall be carried out separately,	
	The contracting shall be	out separately. Procurement of	in accordance with the	
	performed for not longer than	balancing capacity shall be	Balancing Guideline adopted	
	one day before the provision of	performed for not longer than one	on the basis of Article 18 of the	
	the balancing capacity and the	day before the provision of the	Regulation 714/2009. To the	
	contracting period shall have a	balancing capacity and the	extent possible, and at least for	
	maximum of one day.	contracting period shall have a	a minimum of 40 % of the	
		maximum <i>duration</i> of one day.	standard products used for	
			balancing capacity, the	
			contracting of balancing	
			capacity shall be performed for	
			not longer than one day before	
			the provision of the balancing	
			capacity and the contracting	
			period shall have a maximum of	
			one day. The contracting of the	
			remaining part of the	
			balancing capacity shall be	
			performed for a maximum of	
			one month in advance of the	
			provision of balancing	
			capacity and the contracting	
			period of the remaining part of	
			balancing capacity shall have a	
			maximum period of one	

month.

156.	9a. On the request of the	Maintain Council GA
150.	transmission system operator	mumum connen dii
	the regulatory authority may	
	extend the contracting period	
	of the remaining part of	
	balancing capacity referred to	
	in paragraph 9 to a maximum	
	period of twelve months	
	provided that such decision	
	will be limited in time, and the	
	positive effects in terms of	
	lowering of costs for	
	consumers will exceed the	
	negative impacts on the	
	market. The request shall	
	include:	
157.	(a) specification of the time	Maintain Council GA
	period during which the	
	exemption would apply;	
158.	(b) specification of the volume	Maintain Council GA
	of balancing capacity for	
	which the exemption would	
	apply;	

159.			(c) analysis of the impact of	Maintain Council GA
			such an exemption on the	
			participation of balancing	
			resources; and	
160.			(d) justification for the	Maintain Council GA
			exemption demonstrating that	
			such an exemption would lead	
			to lower costs for consumers.	
161.	10. Transmission system	AM 39	10. Transmission system	Accept in part and modify GA
	operators shall publish close to	10. Transmission system	operators shall publish, [] as	1 1
	real-time information on the	operators or third parties to whom	soon as possible but not later	10. Transmission system operators <i>or third</i>
	current balancing state of their	these responsibilities have been	than 30 minutes after real-time,	parties delegated operators shall publish, []
	control areas, the imbalance	delegated by the relevant	the information on the current	as soon as possible but not later than 30
	price and the balancing energy	transmission system operator,	system balance of their []	minutes after real-time, the information on the
	price.	Member State or regulatory	scheduling areas [] and the	current [] system balance of their []
		authority shall publish close to	estimated [] balancing energy	scheduling areas, [] the estimated imbalance
		real-time information on the current	prices. To the extent that	prices [] and the estimated [] balancing
		balancing state of their control	responsibility for provision of	energy prices.
		areas, the <i>estimated</i> imbalance	this information has been	
		price and the <i>estimated</i> balancing	assigned or delegated to a	
		energy price.	third party, in accordance	
			with the Balancing Guideline	
			adopted on the basis of Article	
			18 of the Regulation	
			714/2009Article, those parties	
			will be responsible for meeting	
			the requirements of this	
			Article.	

162.	AM 40 Article 5 – paragraph 10 a (new) 10a. Member States shall report on the functioning and transparency of, and access to, in particular by small providers, the balancing markets, in particular for the purpose of Article 4, through the reporting procedure on the internal energy market laid down in Article 21 of Regulation/ [Governance of the Energy Union].	Reject
163.		New proposal in reference to paragraphs 3, 5 and 5a of the GA and Articles 25-26 of Reg. 2017/2195 (Balancing Guideline). Exemptions for specific products (to avoid copying the entire Balancing Guideline) are bundled here. 11. Transmission system operators may, where standard balancing products are not sufficient to ensure operational security or some balancing resources cannot participate in the balancing market through standard balancing products, propose exemptions from paragraphs 3 and 5 for specific balancing products which are activated locally without exchanging them with other transmission system operators. Exemptions for specific balancing products shall be subject to approval by the national regulatory authority.

<i>164</i> .		Article 6	
		Day-ahead and intraday markets	
165.	3	1. Transmission system	Maintain Council GA
	operators and nominated	operators and nominated	
	electricity market operators shall	electricity market operators shall	
	jointly organise the management	jointly organise the management	
	of the integrated day-ahead and	of the integrated day-ahead and	
	intraday markets based on	intraday markets based on	
	market coupling as set out in	market coupling as set out in	
	Regulation (EU) 2015/1222.	Regulation (EU) 2015/1222.	
	Transmission system operators	Transmission system operators	
	and nominated electricity market	and nominated electricity market	
	operators shall cooperate at	operators shall cooperate at	
	Union level or, where more	Union level or, where more	
	appropriate, on a regional basis	appropriate, on a regional basis	
	in order to maximise the	in order to maximise the	
	efficiency and effectiveness of	efficiency and effectiveness of	
	Union electricity day-ahead and	Union electricity day-ahead and	
	intraday trading. The obligation	intraday trading. The obligation	
	to cooperate shall be without	to cooperate shall be without	
	prejudice to the application of	prejudice to the application of	
	the provisions of Union	the provisions of Union	
	competition law. In their	competition law. In their	
	functions relating to electricity	functions relating to electricity	
	trading, transmission system	trading, transmission system	
	operators and nominated market	operators and nominated	
	operators shall be subject to	electricity market operators	
	regulatory oversight by	shall be subject to regulatory	
	regulators and the Agency	oversight by regulators and the	
	pursuant to Article 59 of [recast	Agency pursuant to Article 59 of	
	of Directive 2009/72/EC as	[recast of Directive 2009/72/EC	
	proposed by COM(2016) 864/2]	as proposed by COM(2016)	
	and Articles 4 and 9 of [recast of	864/2] and Articles 4 and 9 of	
	Regulation (EC) No 713/2009 as	[recast of Regulation (EC) No	
	proposed by COM(2016)	713/2009 as proposed by	
	863/2].	COM(2016) 863/2].	

166.	2. Day-ahead and intraday markets shall		2. Day-ahead and intraday markets shall	No change
167.	(a) be organised in such a	AM 41	(a) be organised in such a	Maintain Council GA
168.	way as to be non-discriminatory;(b) maximise the ability of	(a) be [] non-discriminatory;	way as to be non-discriminatory;(b) maximise the ability of all	Accept modified GA
	market participants to contribute to avoid system imbalances;		market participants to [] manage their imbalances;	(b) maximise the ability of all market participants to [] manage [] imbalances;
169.	(c) maximise the opportunities for market participants to participate in cross-border trade as close as possible to real time across all bidding zones;		(c) maximise the opportunities for all market participants to participate in cross-[] zonal trade as close as possible to real time across all bidding zones;	Maintain Council GA
170.	(d) provide prices that reflect market fundamentals and that market participants can rely on when agreeing on longer-term hedging products;		(d) provide prices that reflect market fundamentals, including the real time value of energy, and that market participants can rely on when agreeing on longer-term hedging products;	Maintain Council GA
171.	(e) ensure operational security whilst allowing for maximum use of transmission capacity;		(e) ensure operational security whilst allowing for maximum use of transmission capacity;	No change
172.	(f) be transparent while at the same time respecting confidentiality;		(f) be transparent while at the same time respecting confidentiality and ensuring trading occurs in an anonymous manner; and;	Maintain Council GA
173.	(g) ensure trades are anonymous; and		[]	Maintain Council GA
174.	(h) make no distinction between trades made within a bidding zone and across bidding zones.		(h) make no distinction between trades made within a bidding zone and across bidding zones.	No change

175.	3. Market operators shall be	AM 42	[]	Maintain Council GA
	free to develop products and	3. Market operators shall be		
	trading opportunities that suit	free to develop products and trading		
	market participants' demand and	opportunities that suit market		
	needs and ensure that all market	participants' demand and needs and		
	participants are able to access	ensure that all market participants		
	the market individually or	are able to access the market		
	through aggregation. They shall	individually or through		
	respect the need to	aggregation. They shall respect the		
	accommodate increasing shares	need to accommodate increasing		
	of variable generation as well as	shares of variable generation and		
	increased demand	energy storage as well as increased		
	responsiveness and the advent of	demand responsiveness and the		
	new technologies.	advent of new technologies		
<i>176</i> .			Article 7	
			Article 7 Thead and intraday markets	
176.	Market operators shall	Trade on day-o	thead and intraday markets 1. Nominated electricity	Maintain Council GA
	allow market participants to	AM 43 1. Market operators shall allow	1. Nominated electricity market operators shall allow	Maintain Council GA
	allow market participants to trade energy as close to real time	AM 43 1. Market operators shall allow market participants to trade energy	1. Nominated electricity market operators shall allow market participants to trade	Maintain Council GA
	allow market participants to trade energy as close to real time as possible and at least up to the	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and	1. Nominated electricity market operators shall allow market participants to trade energy as close to real time as	Maintain Council GA
	allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators shall allow market participants to trade energy as close to real time as possible and at least up to the	Maintain Council GA
	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 determined in accordance	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and	1. Nominated electricity market operators 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	Maintain Council GA
	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 determined in accordance with Article 59 of Regulation	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators 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 determined in accordance	Maintain Council GA
	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 determined in accordance	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators 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 determined in accordance with [] the capacity allocation	Maintain Council GA
	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 determined in accordance with Article 59 of Regulation	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators 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 determined in accordance with [] the capacity allocation and congestion management	Maintain Council GA
	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 determined in accordance with Article 59 of Regulation	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators 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 determined in accordance with [] the capacity allocation and congestion management guideline adopted on the basis	Maintain Council GA
	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 determined in accordance with Article 59 of Regulation	AM 43 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to 15 minutes before	1. Nominated electricity market operators 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 determined in accordance with [] the capacity allocation and congestion management	Maintain Council GA

178.	2. Market operators shall	AM 44	2. Nominated electricity	Accept modified GA
	provide market participants with	2. Market operators shall	market operators shall provide	2. Nominated electricity m arket operators
	the opportunity to trade in	provide market participants with	market participants with the	shall provide market participants with the
	energy in time intervals at least	the opportunity to trade in energy	opportunity to trade in energy in	opportunity to trade in energy in time intervals
	as short as the imbalance	in national and cross-border	time intervals at least as short as	at least as short as the imbalance settlement
	settlement period in both day-	<i>markets</i> in time intervals at least as	the imbalance settlement period	period in both day-ahead and intraday markets
	ahead and intraday markets.	short as the imbalance settlement	in both day-ahead and intraday	
		period in both day-ahead and	markets in accordance with	
		intraday markets.	the balancing guideline	
			adopted on the basis of Article	
			18 of Regulation (EU)	
			714/2009.	
179.	<u> </u>	AM 45	3. Nominated electricity	Accept in part with modified GA
	provide products for trading in	3. Market operators shall	market operators shall provide	
	day-ahead and intraday markets	provide products for trading in day-	products for trading in day-	3. Nominated electricity m arket operators
	which are sufficiently small in	ahead and intraday markets which	ahead and intraday markets	shall provide products for trading in day-ahead
	size, with minimum bid sizes of	are sufficiently small in size, with	which are sufficiently small in	and intraday markets which are sufficiently
	1 Megawatt or less, to allow for	minimum bid sizes of 500 Kilowatt,	size, with minimum bid sizes of	small in size, with minimum bid sizes of 1
	the effective participation of	to allow for the effective	1 Megawatt [], to allow for the	Megawatt or less, to allow for the effective
	demand-side response, energy	participation of demand-side	effective participation of	participation of demand-side response, energy
	storage and small-scale	response, energy storage and small-	demand-side response, energy	storage and small-scale renewables including
	renewables.	scale renewables including directly	storage and small-scale	directly by customers. []
		by customers.	renewables in accordance to	
			the methodologies developed	
			in the capacity allocation and	
			congestion management	
			guideline adopted on the basis	
			of Article 18 of Regulation	
			(EU) 714/2009.	

180.	4. By 1 January 2025, the imbalance settlement period shall be 15 minutes in all control areas.	AM 46 4. By 1 January 2021, the imbalance settlement period shall be 15 minutes in all control areas.	4. By 1 January 2021, the imbalance settlement period shall be 15 minutes in all [] scheduling areas unless regulatory authorities have granted a derogation or an exemption in accordance with the balancing guideline adopted on the basis of Article 18 of the Regulation 714/2009.	Maintain Council GA
<i>181</i> .			Article 8	
182.	1. In line with Regulation	F6	orward markets 1. In line with Regulation	Maintain Council GA
102.	(EU) 2016/1719, transmission		(EU) 2016/1719, transmission	Mumum Council GA
	system operators shall issue		system operators shall issue	
	long-term transmission rights or have equivalent measures in		long-term transmission rights or have equivalent measures in	
	place to allow for market		place to allow for market	
	participants, in particular owners		participants, [] including	
	of generation facilities using		owners of generation facilities	
	renewable energy sources, to		using renewable energy sources,	
	hedge price risks across bidding		to hedge price risks across	
	zone borders.		bidding zone borders, unless an	
			assessment of the forward	
			market performed by the competent regulatory	
			authorities on the bidding zone	
			borders shows sufficient	
			hedging opportunities in the	
			concerned bidding zones in	
			accordance with the guideline	
			on forward capacity allocation	
			adopted on the basis of Article	
			18 of the Regulation 714.	

183.	rights shall be allocated in a transparent, market based and non-discriminatory manner through a single allocation platform. Long-term transmission rights shall be firm and be transferable between market participants.		2. Long-term transmission rights shall be allocated in a transparent, market based and non-discriminatory manner through a single allocation platform [] according to the provisions of the guideline on forward capacity allocation adopted on the basis of Article 18 of the Regulation 714/2009.	Maintain Council GA
184.	3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall not restrict such hedging activity to trades within a Member State or bidding zone.	AM 47 3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall support the liquidity of such products, in particular of exchange-based products that have already been developed, and shall allow them to be traded across bidding zones.	3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, [] including owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall not restrict such hedging activity to trades within a Member State or bidding zone.	Maintain Council GA

185.	Article 9		Article 9	
	Price Restrictions		[] Technical bidding limits	
186.	maximum limit of the wholesale electricity price unless it is set at the value of lost load as determined in accordance with Article 10. There shall be no minimum limit of the wholesale electricity price unless it is set at a value of minus 2000 € or less and, in the event that it is or anticipated to be reached, set at a lower value for the following day. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and	AM 48 1. There shall be no maximum [] and no minimum limit of the wholesale electricity price []. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.	electricity prices and balancing energy prices, including bidding and clearing prices, shall not be subject to a minimum or maximum limit. This is without prejudice to the technical price limits which may be applied in the balancing timeframe according to the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009 and in the day-ahead and intraday timeframes as set out in the following	Accept to merge and modify GA There shall be no maximum [] and no minimum limit of the wholesale electricity price []. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices. This is without prejudice to the technical price limits which may be applied in the balancing timeframe according to the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009 and in the day-ahead and intraday timeframes as set out in the following paragraph.
187.	imbalance prices. 2. By way of derogation from paragraph 1, until [OP: two years after entry into force] market operators may apply limits on maximum clearing prices for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222. In the event that limits are, or are anticipated to be, reached, they shall be raised for the following day.	AM 49 2. By way of derogation from paragraph 1, market operators may apply technical limits on maximum and minimum bidding limits for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222 and for the balancing timeframe in accordance with Regulation (EU) 2017/2195. In the event that those technical limits are, or are anticipated to be, reached, they shall be automatically adjusted. The technical price limits shall be sufficiently high so as not to unnecessarily restrict trade, and shall be harmonised for the common market area. They shall	paragraph. 2. [] Nominated electricity market operators may apply harmonised limits on maximum and minimum clearing prices for day-ahead and intraday timeframes in accordance with [] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of the Regulation 714/2009. These limits shall take into account the maximum value of lost load. Nominated market operators shall implement a transparent mechanism to adjust automatically the technical bidding limits in due time in the event that the set limits are	Accept to partly merge 2. Nominated electricity market operators may apply harmonised limits on maximum and minimum clearing prices for day-ahead and intraday timeframes in accordance with [] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of the Regulation 714/2009. These limits shall be sufficiently high so as not to unnecessarily restrict trade, be harmonised for the common market area_and take into account the maximum value of lost load. Nominated market operators shall implement a transparent mechanism to adjust automatically the technical bidding limits in due time in the event that the set limits are expected to be reached. The

		be returned to initial values after the scarcity situation is over.	expected to be reached. The adjusted higher limits shall remain applicable until further increases under this mechanism are required.	adjusted higher limits shall remain applicable until further increases under this mechanism are required.
188.	3. Transmission system operators shall not take any measures with the aim of changing the wholesale prices. All dispatch orders shall be reported to the national regulatory authority within one day.		3. Transmission system operators shall not take any measures with the aim of changing the wholesale prices. [Maintain Council GA
189.	4. Member States shall identify policies and measures applied within their territory that could contribute to indirectly restrict price formation, including limiting bids relating to the activation of balancing energy, capacity mechanisms, measures by the transmission system operators, measures intended to challenge market results or to prevent abuse of dominant positions or inefficiently defined bidding zones.		4. National regulatory authorities or other competent authorities designated by Member States shall identify policies and measures applied within their territory that could contribute to indirectly restrict wholesale price formation, including limiting bids relating to the activation of balancing energy, capacity mechanisms, measures by the transmission system operators, measures intended to challenge market results or to prevent abuse of dominant positions or inefficiently defined bidding zones.	Maintain Council GA

190.	5. Where a Member State	5. Where a national	Maintain Council GA
	has identified a policy or	regulatory authority or other	
	measure which could serve to	competent authority	
	restrict price formation it shall	designated by a Member State	
	take all appropriate actions to	has identified a policy or	
	eliminate or, if not possible,	measure which could serve to	
	mitigate the impact on bidding	restrict price formation it shall	
	behaviour. Member States shall	take all appropriate actions to	
	provide a report to the	eliminate or, if not possible,	
	Commission by [OP: six months	mitigate the impact on bidding	
	after entry into force] detailing	behaviour. Member States shall	
	the measures and actions they	provide a report to the	
	have taken or intend to take.	Commission by [OP: six months	
		after entry into force] detailing	
		the measures and actions they	
		have taken or intend to take.	

193. 194.	2. Member States shall update their estimate at least every five years.	Dispatching of gen	2. Member States shall update their estimate at least every five years or when a significant change is observed. Article 11 peration and demand response	Maintain Council GA
195.	1. Dispatching of power generation facilities and demand response shall be non-discriminatory and market based unless otherwise provided under paragraphs 2 to 4.		1. Dispatching of power generation facilities and demand response shall be non-discriminatory, transparent and, unless otherwise provided under Article 11 (2) to Article 11 (4), market based [].	
196.	2. When dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources or higherficiency cogeneration from small generating installations or generating installations using emerging technologies to the following extent:		2. [] Without prejudice to Articles 107 to 109 TFEU Member States may provide for electricity generated [] using renewable energy sources or high-efficiency cogeneration from small [] power generating facility or power generating facility using emerging technologies to be granted priority dispatch up to the following extent:	

197.	(a) generating installations	AM 51	(a) power generating	
	using renewable energy sources	(a) generating installations using	facility using renewable energy	
	or high-efficiency cogeneration	renewable energy sources or high-	sources or high-efficiency	
	with an installed electricity	efficiency cogeneration with an	cogeneration with an installed	
	capacity of less than 500 kW; or	installed electricity capacity of less	electricity capacity of less than	
		than 500 kW; []] 250 kW; or	
198.	(b) demonstration projects for	AM 52	(b) demonstration projects for	
	innovative technologies.	(b) generating installations	emerging [] technologies as	
		which are demonstration projects	defined in the network code on	
		for innovative technologies;	requirements for generators	
		Member States may apply higher	adopted on the basis of Article	
		limits to local energy communities	6 of Regulation 714/2009.	
		as established in the Directive		
		(EU) [recast of Directive		
		2009/72/EC as proposed by		
		COM(2016) 864/2].		
199.	3. Where the total capacity	AM 53	[]	
	of generating installations	3. A Member State which does		
	subject to priority dispatch	not at the time of entry into force		
	under paragraph 2 is higher than	of this Regulation grant priority		
	15 % of the total installed	dispatch to any generating		
	generating capacity in a Member	installations may request to be		
	State, point (a) of paragraph 2	exempted from the provisions of		
	shall apply only to additional	paragraph 2 if it can demonstrate		
	generating installations using	to the Commission that all of the		
	renewable energy sources or	following conditions are met:		
	high-efficiency cogeneration			
	with an installed electricity			
	capacity of less than 250 kW.			

200.	(a) no priority dispatch exists for installations other than those listed
	in paragraph 2 is in place;
201.	(b) its liquid intraday, wholesale
	and balancing markets are fully
	accessible to all market players in
	accordance with the provisions of
	this Regulation;
202.	(c) its curtailment rules and
	congestion management are
	transparent to all market parties
	and comply with the provisions of
	this Regulation;
203.	(d) its renewable energy target for
	2030 is sufficient for the collective
	achievement of the Union's
	binding overall target for share of
	energy from renewable sources
	pursuant to Article 3(2) of
	[Directive 2009/28/EC as proposed]
	by COM(2016) 767] and the
	Member State is expected to meet
	its target

204.		The Commission shall approve or		
		reject a request for exemption		
		within six months of receipt of the		
		request. Any exemption granted		
		shall avoid retroactive changes for		
		installations already benefiting		
		from priority dispatch,		
		notwithstanding any agreement		
		between a Member State and an		
		installation on a voluntary basis.		
205.	From 1 January 2026, point (a)	From 1 January 2026, point (a) of	3a. For power generating	
	of paragraph 2 shall apply only	paragraph 2 shall apply only to	facility commissioned as from	
	to generating installations using	generating installations using	1 January 2026, point (a) of	
	renewable energy sources or	renewable energy sources or high-	paragraph 2 shall apply only to	
	high-efficiency cogeneration	efficiency cogeneration with an	power generating facilities []	
	with an installed electricity	installed electricity capacity of less	using renewable energy sources	
	capacity of less than 250 kW or,	than 250 kW [].	or high-efficiency cogeneration	
	if the threshold under the first		with an installed electricity	
	sentence of this paragraph has		capacity of less than [] <u>1</u> 50	
	been reached, of less than 125		kW []. Member States may	
	kW.		apply a lower threshold.	

206. 4. Generating installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council 19 shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.

AM 54

Without prejudice to paragraph 3 of this Article, generating installations using renewable energy sources or highefficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15 (5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16 (2) Directive 2009/28/EC of the European Parliament and of the Council³⁹ shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased. 1.

35 Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and

[] Without prejudice to contracts concluded before **lentry** into force of the legislation], power generating facility using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council²⁰ shall [] continue to benefit from priority dispatch. Priority dispatch shall no longer be applicable from the date where the [] power generating facility is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.

. .

Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

		amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).		
207.	5. Priority dispatch shall not endanger the secure operation of the electricity system, shall not be used as a justification for curtailment of cross-border capacities beyond what is provided for in Article 14 and shall be based on transparent and non-discriminatory criteria.		5. Priority dispatch shall not endanger the secure operation of the electricity system, shall not be used as a justification for curtailment of cross-border capacities beyond what is provided for in Article 14 and shall be based on transparent and non-discriminatory criteria.	
208.	Article 12 Redispatching and curtailment		Article 12 Redispatching []	
209.	1. Curtailment or redispatching of generation and redispatching of demand response shall be based on objective, transparent and non-discriminatory criteria.		1. [] Redispatching of generation and redispatching of demand response shall be based on objective, transparent and non-discriminatory criteria. It shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.	

210. 2. The resources curtailed or redispatched shall be selected amongst generation or demand facilities submitting offers for curtailment or redispatching using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation or redispatching of demand response shall only be used where no market-based alternative is available, where all available market-based resources have been used, or where the number of generation or demand facilities available in the area where suitable generation or demand facilities for the provision of the service are located is too low to ensure effective competition. The provision of market-based resources shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.

AM 55

The resources curtailed or redispatched shall be selected amongst generation, energy storage, and/or demand response facilities submitting offers for curtailment or redispatching using market-based mechanisms and be financially compensated. Nonmarket-based curtailment or redispatching of generation or redispatching of energy storage and/or demand response shall only be used for operational security reasons and where no marketbased alternative is available *or* where all available market-based resources have been used, or where the number of generation, energy **storage** or demand facilities available in the area where suitable generation, energy storage or demand facilities for the provision of the service are located is too low to ensure effective competition. The provision of market-based resources shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.

2. The resources [] redispatched shall be selected amongst generation, storage or demand facilities [] using market-based mechanisms and be financially compensated. [] Balancing energy bids used for redispatching shall not set the balancing energy price in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.

(part of 2, moved as 2a)

211.	2a. Without prejudice to	
	Articles 107 to 109 TFEU non-	
	market-based [] redispatching	
	of generation or redispatching of	
	demand response [] may only	
	be used [] subject to the	
	following conditions:	
212.	(a) no market-based alternative	
212.	is available,	
213.	(b) [] all available market-	
	based resources have been used,	
	or	
214.	(c) [] the number of	
	generation or demand facilities	
	available in the area where	
	suitable generation or demand	
	facilities for the provision of the	
	service are located is too low to	
	ensure effective competition.	
215.	(d) the current grid	
	situation leads to congestion in	
	such a regular and predictable	
	way that market-based	
	redispatch would lead to	
	regular strategic bidding	
	which would increase the level	
	of internal congestion and the	
	Member State concerned has	
	adopted an action plan to	
	address this congestions or	
	ensures that	
	minimum available capacity	
	for cross-zonal trade is in	
	accordance with Article 14 (7).	

216.	operators shall report at least once per year to the competent regulatory authority on curtailment or downward redispatching of generating installations using renewable energy sources or highefficiency cogeneration and on measures taken to reduce the need for such curtailment or downward redispatching in the future. Curtailment or redispatching of generating installations using renewable energy sources or highefficiency cogeneration shall be subject to compensation	AM 56 3. The responsible system operators shall report at least once per year to the competent regulatory authority, which shall be transmitted to the Agency, on:	3. The responsible system operators shall report at least once per year to the competent regulatory authority on [] downward redispatching of power generating facility [] using renewable energy sources or high-efficiency cogeneration [].	
	pursuant to paragraph 6.			
217.		(a) the level of development and effectiveness of market-based curtailment or redispatching mechanisms for generation and demand facilities;		

218.	(b) the reasons, volumes in MWh
210.	and type of generation source
	subject to curtailment or
210	downward redispatching;
219.	(c) the measures taken to reduce
	the need for the curtailment or
	downward redispatching of
	generating installations using
	renewable energy sources or high-
	efficiency cogeneration in the
	future including investments in
	digitalisation of the grid
	infrastructure and in services that
	increase flexibility;
220.	(d) requests and contractual
	arrangements made with
	generating units for them to
	operate at a certain level of
	electricity infeed, the necessity of
	which the system operators shall
	justify,, specifying to what extent
	those services could not be
	provided by other units.
221.	The competent regulatory
	authority shall publish the data
	referred to in paragraphs (a) to (d)
	together with recommendations for
	improvement where necessary.
222.	Curtailment or redispatching of
	generating installations using
	renewable energy sources or high-
	efficiency cogeneration shall be
	subject to compensation pursuant to
	paragraph 6.

223.	4. Subject to requirements		4. Subject to requirements	
	relating to the maintenance of		relating to the maintenance of	
	the reliability and safety of the		the reliability and safety of the	
	grid, based on transparent and		grid, based on transparent and	
	non-discriminatory criteria		non-discriminatory criteria	
	defined by the competent		defined by the competent	
	national authorities,		national authorities, transmission	
	transmission system operators		system operators and	
	and distribution system		distribution system operators	
	operators shall:		shall:	
224.	(a) guarantee the capability	AM 57	(a) guarantee the capability of	
	of transmission and distribution	(a) guarantee the capability of	transmission and distribution	
	networks to transmit electricity	transmission and distribution	networks to transmit electricity	
	produced from renewable	networks to transmit electricity	produced from renewable energy	
	energy sources or high-	produced from renewable energy	sources or high-efficiency	
	efficiency cogeneration with	sources, energy storage, demand-	cogeneration with minimum	
	minimum possible curtailment	response or high-efficiency	possible [] redispatching. That	
	or redispatching. That shall not	cogeneration with minimum	shall not prevent network	
	prevent network planning from	possible curtailment or	planning from taking into	
	taking into account limited	redispatching. That shall not	account limited [] redispatching	
	curtailment or redispatching	prevent network planning from	where this is shown to be more	
	where this is shown to be more	taking into account limited	economically efficient and, []	
	economically efficient and does	curtailment or redispatching where	does not exceed 5 % of [] the	
	not exceed 5 % of installed	they can demonstrate in a	annual generated electricity in	
	capacities using renewable	transparent way that this is more	installations using renewable	
	energy sources or high-	economically efficient and does not	energy sources [] and which	
	efficiency cogeneration in their	exceed 5 % of installed capacities	are directly connected to their	
	area;	using renewable energy sources,	respective grid, unless	
		energy storage, demand-response	otherwise provided by a	
		or high-efficiency cogeneration in	Member State in which	
		their area;	electricity from power	
			generating facility using	
			renewable energy sources or	
			high-efficiency cogeneration	
			represents more than 50 % of	

			annual gross final consumption of electricity;	
225.	(b) take appropriate grid and market-related operational measures in order to minimise the curtailment or downward redispatching of electricity produced from renewable energy sources or higherficiency cogeneration.		(b) take appropriate grid and market-related operational measures in order to minimise the [] downward redispatching of electricity produced from renewable energy sources or high-efficiency cogeneration.	
226.		AM 58 Article 12 – paragraph 4 – point b (new)		
		(ba) ensure that their networks are sufficiently flexible such that they are in a position to manage them.		
227.	5. Where non-market-based downward redispatching or		5. Where non-market-based downward redispatching [] is	
	curtailment is used, the following principles shall apply:		used, the following principles shall apply:	

228.	(a) generating installations	AM 59	(a) [] power generating	
	using renewable energy sources	(a) generating installations using	facilities using renewable	
	shall only be subject to	renewable energy sources shall	energy sources shall only be	
	downward redispatching or	only be subject to downward	subject to downward	
	curtailment if no other	redispatching or curtailment if no	redispatching []if no other	
	alternative exists or if other	other alternative exists or if other	alternative exists or if other	
	solutions would result in	solutions would result in	solutions would result in	
	disproportionate costs or risks to	significantly disproportionate costs	disproportionate costs or severe	
	network security;	or <i>significant</i> risks to network	risks to network security;	
		security;		
229.	(b) generating installations	AM 60	(b) electricity generated in a [
	using high-efficiency	(b) electricity generated in a	l high-efficiency cogeneration	
	cogeneration shall only be	high-efficiency cogeneration	process shall only be subject to	
	subject to downward	<i>process</i> shall only be subject to	downward redispatching [] if,	
	redispatching or curtailment if,	downward redispatching or	other than [] downward	
	other than curtailment or	curtailment if, other than	redispatching of [] power	
	downward redispatching of	curtailment or downward	generating facilities using	
	generating installations using	redispatching of generating	renewable energy sources, no	
	renewable energy sources, no	installations using renewable	other alternative exists or if	
	other alternative exists or if	energy sources, no other alternative	other solutions would result in	
	other solutions would result in	exists or if other solutions would	disproportionate costs or severe	
	disproportionate costs or risks to	result in disproportionate costs or	risks to network security;	
	network security;	risks to network security;		
230.			[]	
	from generating installations			
	using renewable energy sources			
	or high-efficiency cogeneration			
	which is not fed into the			
	transmission or distribution			
	network shall not be curtailed			
	unless no other solution would			
	resolve network security issues;			

231	(d) downward redispatching		(d) downward redispatching [
	or curtailment under letters a to] under letters a [] and b [] it	
	c shall be duly and transparently		shall be duly and transparently	
	justified. The justification shall		justified. The justification shall	
	be included in the report under		be included in the report under	
	paragraph 3.		paragraph 3.	
232	• 6. Where non-market based	AM 61	6. Where non-market based [
	curtailment or redispatching is	6. Where non-market based	redispatching is used, it shall	
	used, it shall be subject to	curtailment or redispatching is	be subject to financial	
	financial compensation by the	used, it shall be subject to financial	compensation by the system	
	system operator requesting the	compensation by the system	operator requesting the []	
	curtailment or redispatching to	operator requesting the curtailment	redispatching to the []	
	the owner of the curtailed or	or redispatching to the owner of the	operator of the [] redispatched	
	redispatched generation or	curtailed or redispatched	generation or demand facility	
	demand facility. Financial	generation, energy storage or	except in the case of	
	compensation shall at least be	demand facility. Financial	generators accepting	
	equal to the highest of the	compensation shall at least be equal	connection agreement in which	
	following elements:	to the highest of the following	firm delivery of energy is not	
		elements:	guaranteed. Financial	
			compensation at least be equal to	
			the highest of the following	
			elements or a combination of	
			them if applying one of the	
			elements would lead to an	
			unjustifiably low or	
			unjustifiably high	
			compensation:	

233.	(a) additional operating cost caused by the curtailment or redispatching, such as additional fuel costs in case of upward redispatching, or backup heat provision in case of downward redispatching or curtailment of generating installations using high-efficiency cogeneration;		(a) additional operating cost caused by the [] redispatching, such as additional fuel costs in case of upward redispatching, or backup heat provision in case of downward redispatching or curtailment of [] power generating facility using highefficiency cogeneration;	
234.	(b) 90 % of the net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the curtailment or redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues.	(b) [] net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the redispatching request, including lost financial support where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed [].	(b) [] Net revenues from the sale of electricity on the dayahead market that the generating or demand facility would have generated without the [] redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues.	

235.		Chapter III				
225		Network access and congestion management				
236.		SECTION 1				
		CAPAC	CITY ALLOCATION			
<i>237</i> .	Article 13		Article 13			
	Definition of bidding zones		Measures to address congestion			
			and definition of bidding zones			
238.	\mathcal{E}	AM 63	1. Member States shall			
	shall be based on long-term,	1. The configuration of	take all appropriate measures			
	structural congestions in the	bidding zones in the Union shall	to address congestions. Bidding			
	transmission network and	be designed in such a way as to	zone borders shall be based on			
	bidding zones shall not contain	ensure liquidity of day-ahead and	long-term, structural congestions			
	such congestions. The	intraday markets, and thus to	in the transmission network [].			
	configuration of bidding zones	maximise economic efficiency and	Bidding zones shall not			
	in the Union shall be designed in	cross-border trading opportunities	contain such structural			
	such a way as to maximise	while maintaining security of	congestions unless they have			
	economic efficiency and cross-	<i>supply.</i> Bidding zone borders shall	no impact, or their impact on			
	border trading opportunities	be based on long-term, structural	neighbouring bidding zones is			
	while maintaining security of	congestions in the transmission	mitigated through the use of			
	supply.	network and bidding zones shall not	remedial actions and they do			
		contain such congestions <i>unless</i>	not lead to reductions of cross			
		they have no impact on	zonal trading capacity. The			
		<i>neighbouring</i> bidding zones, <i>or</i>	configuration of the bidding			
		their impact is mitigated by	zones in the Union shall be			
		remedial actions.	designed in such a way as to			
			maximise economic efficiency			
			and in order to maximise cross-			
			border trading opportunities, []			
			with due respect to the			
			provisions in Article 14.			

239.	2. Each bidding zone should	AM 64		
	be equal to an imbalance price	2. Each bidding zone should be		
	area.	equal to an imbalance price area,		
		except where an imbalance price		
		area may constitute a part of a		
		bidding zone.		
240.	3. In order to ensure an	AM 65	3. In order to ensure an	
	optimal bidding zone definition	3. In order to ensure an optimal	optimal bidding zone []	
	in closely interconnected areas,	bidding zone definition in closely	configuration [] a bidding	
	a bidding zone review shall be	interconnected areas, a bidding	zone review shall be carried out.	
	carried out. That review shall	zone review shall be carried out.	That review shall identify all	
	include analysis of the	That review shall include analysis	structural congestion and	
	configuration of bidding zones	of the configuration of bidding	include analysis of [] different	
	in a coordinated manner with the	zones in a coordinated manner with	configurations of bidding zones	
	involvement of affected	the involvement of affected	in a coordinated manner with the	
	stakeholders from all affected	stakeholders from all affected	involvement of affected	
	Member States, following the	Member States, following the	stakeholders from all []	
	process in accordance with	process in accordance with Articles	relevant Member States,	
	Articles 32 to 34 of Regulation	32 to 34 of Regulation (EU)	following the process in	
	(EU) 2015/1222. The Agency	2015/1222. Current bidding zones	accordance with [] the	
	shall approve and may request	shall be assessed based on their	capacity allocation and	
	amendments to the methodology	ability to create a reliable market	congestion management	
	and assumptions that will be	environment, ensure sufficient	guideline adopted on the basis	
	used in the bidding zone review	flexible generation and load	of Article 18 of Regulation	
	process as well as the alternative	capacity, which is crucial for	(EU) 714/2009. All relevant	
	bidding zone configurations	avoiding grid bottlenecks,	transmission system operators	
	considered.	balancing electricity demand and	shall submit a proposal to the	
		supply securing the long-term	relevant national regulatory	
		security of investments and the	authorities for approval. The	
		grid. The Agency shall approve and	relevant national regulatory	
		may request amendments to the	authorities shall come to an	
		methodology and assumptions that	unanimous decision on the	
		will be used in the bidding zone	proposal within [3 month]. In	
		review process as well as the	case they do not agree within	
		alternative bidding zone	this time frame, the Agency	

		configurations considered. <i>The</i>	shall [] decide on the	
		methodology shall take due	methodology and assumptions	
		account of infrastructure	that will be used in the bidding	
		development projects that are	zone review process as well as	
		expected to be realised within the	the alternative bidding zone	
		next 5 years.	configurations considered. The	
			methodology shall be based on	
			structural congestions which	
			are not expected to be	
			overcome within the next five	
			years, for example taking due	
			account of tangible progress	
			on infrastructure development	
			projects, that are expected to	
			be realised within the next five	
			years.	
241.			3a. Irrespective of the	
			concrete outcome of the	
			infrastructure development	
			projects, Article 14 shall apply	
			to the calculation of the	
			available capacity for cross-	
			zonal exchanges. Where an	
			action plan is implemented	
			pursuant to paragraph 4a, the	
			threshold referred to in Article	
			14(7) shall be reached not later	
2.12	4 (77)	175.66	than end of 2025.	
242.	4. The transmission system	AM 66	4. The transmission system	
	operators participating in the	4. The transmission system	operators participating in the	
	bidding zone review shall	operators participating in the	bidding zone review shall	
	submit a proposal to the	bidding zone review shall submit a	submit a joint proposal to the	
	Commission regarding whether to amend or maintain the	proposal to the <i>relevant Member</i> States whether to amend or	[] relevant Member States or	
		1	designated competent authorities of the relevant	
	bidding zone configuration.	maintain the bidding zone	authorities of the relevant	

Based on that proposal, the Commission shall adopt a decision whether to amend or maintain the bidding zone configuration, [no later than 6 months after entry into force of this Regulation, specific date to be inserted by OP] or by six months after the conclusion of the bidding zone configuration launched in accordance with points (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, whichever comes later.

configuration. The relevant Member States shall be those participating in the review pursuant to Article 32(2) of Regulation (EU) 2015/1222 and those in the same Capacity Calculation Region(s) pursuant to Regulation (EU) 2015/1222. Based on *the* proposal, the *relevant* Member States shall come to a unanimous decision within six *months on* whether to amend or maintain the bidding zone configuration. Other Member States, Energy Community Contracting Parties or other third countries sharing the same synchronous area with any Member State may submit comments. The decision shall be *reasoned.* in accordance with relevant Union law and shall take account of any observations of other Member States, Energy **Community Contracting Parties** and other third countries sharing the same synchronous area with any Member State, as well as of commitments on addressing existing congestion made by the relevant Member States. The relevant Member States shall notify the Commission and the Agency of their decision and any cross-border agreements entered

Member States [no later than 12 months after entry into force of this Regulation, specific date to be inserted by OJ]. In this article, relevant Member States refer to those Member States participating in the review of the bidding zone configuration and also those in the same capacity calculation region pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009.

	into by the Member States, the
	regulatory authorities or the
	transmission system operators for
	the purpose of achieving
	consensus. Agreements entered
	into by the relevant Member States
	shall not deviate from coordinated
	capacity calculation processes as
	set out in Article 14 of this
	Regulation nor from the relevant
	<i>provisions</i> of Regulation (EU)
	2015/1222.
243.	AM 67
	Article 13 – paragraph 4 a(new)
	4 a. Where the relevant Member
	States fail to come to a unanimous
	decision within the deadline
	referred to in paragraph 4, or
	where the Member States become
	aware of the fact that
	commitments on which a previous
	unanimous decision was based
	were not complied with, they shall
	immediately notify the
	Commission.
244.	The Commission shall initiate a
	conciliation procedure and shall
	act as a mediator between the
	relevant Member States. In the
	conciliation procedure, the
	relevant Member States shall,
	within six months of such
	initiation, adopt a unanimous
	decision on whether to amend or
	maintain the bidding zone

	configuration.		
245.	Where the relevant Member States		
	in the conciliation fail to adopt a		
	unanimous decision within six		
	months, the Member State with the		
	internal structural congestion		
	shall have the choice to either		
	amend its bidding zone or establish		
	a roadmap with concrete measures		
	on how to overcome the		
	congestions in its national territory		
	in due time. That Member State		
	shall immediately notify its choice		
215	to the Commission.		
246.	For those Member States that		
	choose to amend their bidding		
	zones, the Commission shall adopt		
	a decision within six months of		
	that notification, after a thorough		
	evaluation of all the issues at		
	stake, together with an assessment		
247.	of all available solutions.	4a. Where structural	
247.		congestion has been identified	
		by one or more transmission	
		system operator or where the	
		bidding zone review	
		recommends a bidding zone	
		change of one or more	
		Member States, the concerned	
		Member States in cooperation	
		with their transmission system	
		operators have the possibility,	
		within 6 months, to define	
		action plans, national or	

	multinational. These action
	plans shall contain a concrete
	timetable for adopting
	measures to reduce the
	structural congestions
	identified within the period of
	[no later than [4] years after
	entry into force of this
	Regulation, specific date to be
	inserted by OJ], including for
	example acceleration of
	network development, more
	efficient use of existing
	infrastructure, a review of
	current system operation
	practices, increased
	coordination of system
	operation with relevant
	neighbouring transmission
	system operators, review of
	regulation regarding remedial
	actions and barriers to
	increased flexibility and
	national energy policy
	measures that shift the
	location of production and
	consumption.
248.	4b. Member State
240.	implementing the actions plans
	,
	pursuant to paragraph 4a
	shall ensure that without
	prejudice to derogations under
	Articles 14(7a) and 14(7b), the
	level of allocated capacity set
	out in Article 14(7) is achieved

in the last year of the action plan, and in no case later than end of 2025, the minimum allocated capacity. Member States shall achieve the capacity referred to in this paragraph by means of a linear trajectory. This linear trajectory and the starting of this trajectory, which shall be either the capacity allocated at this border in the year before implementation of the action plan or the average of the three last years before the action plan, whatever is higher, shall be agreed with the Member States of the same capacity calculation region. For the period when a **Member State is implementing** an action plan, the Member State shall ensure that the capacity made available for cross-zonal trade to be compliant with paragraph 7 is at least equal to the values of the trajectory, including by use of remedial actions in the capacity calculation region, but the decisions of the regulatory authorities referred to in paragraphs 7a and 7b are not applicable to such a **Member State. Costs of**

	remedial actions required to
	follow the trajectory or make
	available cross-zonal capacity
	at the borders concerned by
	the action plan shall be borne
	by the Member State or
	Member States implementing
	the action plan.
249.	4c. Six months before the
	expiry of the action plan,
	Member States shall decide
	whether to split their bidding
	zone to address remaining
	congestions or whether to
	address remaining internal
	congestions with remedial
	actions for which they shall
	cover the costs. Yearly, during
	the implementation of the
	action plan and within six
	months after the expiry of the
	action plan, the transmission
	system operators participating
	in the bidding zone review
	shall assess the available cross-
	zonal capacity calculated in
	accordance with the
	methodology referred to in
	Article 14(7) for the period of
	the last 12 months, and
	determine in a report whether
	the cross-border trade
	capacity reached the minimum
	level outlined in Article 14(7).
	Where a structural congestion

	has been identified accepted to
	has been identified pursuant to
	paragraph 4a but no action
	plan was defined within 6
	months, the relevant
	transmission system operators
	shall within twelve months
	after a structural congestion
	has been identified assess the
	available cross-zonal capacity
	calculated in accordance with
	the methodology referred to in
	Article 14(7) for the period of
	the last 12 months, and
	determine in a report whether
	the cross-border trade
	capacity reached its minimum
	level outlined in Article 14(7).
	The assessments under this
	paragraph shall be
	continuously reiterated every
	24 months for the period of the
	last 24 months.
250.	4d. For those Member
	States for which the
	assessment following
	paragraph 4c demonstrates
	that a transmission system
	operator has not been
	compliant with the level
	outlined in Article 14(7) or for
	those Member States that have
	opted for a bidding zone split, the relevant Member States
	shall come to a unanimous
	decision within 6 months from

	receiving the report referred
	in paragraph 4c on whether to
	maintain or amend the
	bidding zone configuration.
	Other Member States may
	submit comments to the
	relevant Member States who
	should take account of these
	comments when coming to
	their decision. The decision
	shall be justified, and shall
	notified to the Commission
	and the Agency.
251.	4e. Should the relevant
	Member States fail to come to
	an unanimous decision within
	the allowed timeframe, they
	shall immediately notify the
	Commission. The Commission
	may make further proposals
	and may invite the relevant
	Member States for
	consultation aiming at
	fostering a balanced solution
	within three months. As a
	measure of last resort, the
	Commission after consultation
	with the Agency and the
	relevant stakeholders shall
	adopt a decision whether to
	amend or maintain the
	bidding zone configuration in
	and between those Member
	States that are subject to the
	decision according to

			paragraph 4d, by six months
			after receiving of such a
			notification.
252.			4f. In case one of the
			consecutive reassessments
			referred to in paragraph 4c
			demonstrates that a
			transmission system operator
			has not been compliant with
			the provisions from Article
			14(7c) the procedure under
			paragraphs 4d and 4e shall
			apply.
253.	5. The decision referred to in	AM 68	5. The decision referred to in
	paragraph 4 shall be based on	5. Where the relevant Member	paragraph 4d or 4e shall be
	the result of the bidding zone	State chooses to establish a	based on the report identifying
	review and the transmission	detailed road map with concrete	structural congestion or the
	system operators' proposal	milestones on how the congestion	result of the bidding zone review
	concerning its maintenance or	issues will be resolved, that	and the transmission system
	amendment. The decision shall	Member State shall, within six	operators' proposal in
	be justified, in particular as	months of the Commission	paragraph 4a and the report
	regards possible deviations from	decision, present that roadmap to	in paragraph 4c concerning its
	the result of the bidding zone	the Commission and other relevant	maintenance or amendment [].
	review.	Member States. During the	The decision shall be justified,
		implementation of the roadmap	in particular as regards possible
		the relevant Member State shall	deviations from the result of the
		regularly report to the Commission	bidding zone review and shall
		on the progress made.	take account of the positions
			and commitments of the
			concerned Member States and
			the comments provided by
			other Member States.

254.	Irrespective of the concrete
	progress of the roadmap, the
	Member State that is implementing
	a roadmap shall ensure that the
	cross-border trade capacities are
	increased every year up to the
	benchmark level of at least 75%
	calculated in accordance with
	Article 14 paragraph 7, which is to
	be achieved by the end of 2025.
	The yearly increase shall be
	achieved by means of a linear
	trajectory.
255.	The starting of this trajectory shall
	be either the capacity allocated at
	this border in the year before
	adoption of the roadmap or the
	average of the three last years
	before the adoption of the
	roadmap, whatever is higher.
256.	Member States shall be considered
	to be in compliance with Article 14
	paragraph 7 if the capacity made
	available for cross-zonal trade is at
	least equal to the values of the
	linear trajectory.

257.	AM 69
	Article 13 – paragraph 5 a (new)
	5a. The relevant transmission
	system operators and national
	regulatory authorities shall assess
	yearly whether the available cross-
	border capacity has reached the
	linear trajectory or, as of the end
	of 2025, the minimum level
	outlined in Article 14(7).
258.	AM 70
	Article 13 – paragraph 5 b (new)
	5b. For those Member States for
	which the assessment referred to
	in paragraph 5a demonstrates that
	a transmission system operator has
	not been compliant with the linear
	trajectory, or as of the end of 2025,
	with the level outlined in Article 14
	(7), the Commission may
	recommend additional measures
	and as a measure of last resort,
	adopt a decision whether to amend
	or maintain the bidding zone
	configuration in and between
	those Member States.

259.	6. Where further bidding zone reviews are launched under Article 32(1)(a), (b) or (c) of Regulation (EU) 2015/1222, the Commission may adopt a decision within six months of the conclusion of that bidding zone review.	AM 71 deleted	6. Where further bidding zone reviews are launched under [] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 the procedure outlined in this Article shall be	
			followed.	
260.	7. The Commission shall consult relevant stakeholders on its decisions under this Article before they are adopted.	7. <i>Member States and</i> the Commission shall consult relevant stakeholders <i>before adopting a decision</i> under this Article.		
261.	8. The Commission decision shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity. The Commission may define appropriate transitional arrangements as part of its decision.	AM 73 8. The decision adopted under this Article shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity. Appropriate transitional arrangements may be defined as part of the decision.	8. [] Any decision adopted according to this Article shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity and shall not be less than 12 months after the decision is published unless otherwise agreed with the relevant Member States. The [] decision may define appropriate transitional arrangements [].	

262.		AM 74 Article 13 – paragraph 8 a (new) 8a. Where further bidding zone reviews are launched under point (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, paragraphs 4 to 8 of this Article shall apply.		
263.		General principles of capaci	Article 14 ity allocation and congestion manag	ement
264.	1. Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in Regulation (EU) 1222/2015.		1. Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in [] the capacity allocation	

		and congestion management guideline adopted on the bas of Article 18 of Regulation (EU) 714/2009.	S
265.	2. Transaction curtailment procedures shall only be used in emergency situations where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner. Except in cases of force majeure, market participants who have been allocated capacity shall be compensated for any curtailment.	2. Transaction curtailment procedures shall only be used it emergency situations where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner. Except in cases of for majeure, market participants who have been allocated capacity shall be compensated for any curtailment.	
266.	ioi any curtainnent.	2a. Transmission system operators may decide not to implement the coordinated actions issued by the regional security coordinator of the system operation region, or to regional security coordinator himself may reduce the capacities calculated in the coordinated capacity calculation in their coordinated actions where the outcome of the coordinated capacity calculation, carried out pursuant to the capacity allocation and congestion management guideline and	

paragraphs 3 and 7, would result in a violation of the operational security limits defined by the transmission system operator in accordance with the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009, for example in case of insufficient redispatch potential within the capacity calculation region. Such a deviation shall be duly justified by the relevant transmission system operators. The relevant transmission system operators shall inform the Regional Security **Coordinators and the national** regulatory authorities of the capacity calculation region of such deviation without undue delay in accordance with Article 38(2a) of this Regulation. Once a year, the **Regional Security Coordinator** shall report to the relevant national regulatory authorities and the Agency on the deviations pursuant to this paragraph and shall assess the incidences and analyse, if needed, how to avoid such deviations in the future. If the Agency comes to the

	conclusion that the	
	prerequisites for a deviation	
	pursuant to this paragraph	
	were not fulfilled are of a	
	structural nature, the Agency	
	shall submit an opinion to the	
	relevant regulatory authority	
	and the Commission. The	
	regulatory authority shall take	
	appropriate action against the	
	transmission system operators	
	if the prerequisites for a	
	deviation pursuant to this	
	paragraph were not fulfilled.	

267. 3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Countertrading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level.

AM 75

The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Countertrading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level. When allocating cost of remedial actions between transmission system operators, regulators shall analyse to what extent unscheduled flows leaving and reentering a bidding zone contribute to the congestion observed between two bidding zones and allocate the counter-trading and redispatch costs in proportion to their contribution to the congestion.

Unless otherwise provided in paragraphs 7, 7a, 7b, 7d and 2a the maximum level of capacity of the interconnections and/or the transmission networks affected by cross-border [] capacity shall be made available to market participants, complying with safety standards of secure network operation. Countertrading and redispatch, including cross-border redispatch, shall be used to optimize available capacities [] and a coordinated and nondiscriminatory process for cross-border remedial actions shall be applied to enable this, following the implementation of the re-dispatching and countertrading cost sharing methodology in accordance with the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009.

268.	4. Capacity shall be	4. Capacity shall be	
	allocated only by means of	allocated only by means of	
	explicit capacity auctions or	explicit capacity auctions or	
	implicit auctions including both	implicit auctions including both	
	capacity and energy. Both	capacity and energy. Both	
	methods may coexist on the	methods may coexist on the	
	same interconnection. For intra-	same interconnection. For intra-	
	day trade continuous trading	day trade continuous trading	
	shall be used, which may be	shall be used which may be	
	complemented by auctions.	complemented by auctions.	
269.	5. The highest value bids,	5. In case of congestion, the	
	whether implicit or explicit in a	valid highest value bids for	
	given timeframe, shall be	network capacity, whether	
	successful. Other than in the	implicit or explicit, offering the	
	case of new interconnectors	highest value for the (scarce)	
	which benefit from an	transmission capacity in a	
	exemption under Article 7 of	given timeframe, shall be	
	Regulation (EC) No 1228/2003,	successful. Other than in the	
	Article 17 Regulation 714/2009	case of new interconnectors	
	or Article 59, establishing	which benefit from an	
	reserve prices in capacity-	exemption under Article 7 of	
	allocation methods shall not be	Regulation (EC) No 1228/2003,	
	allowed.	Article 17 Regulation 714/2009	
		or Article 59, establishing	
		reserve prices in capacity-	
		allocation methods shall not be	
		allowed.	
270.	6. Capacity shall be freely	6. Capacity shall be freely	
	tradable on a secondary basis,	tradable on a secondary basis,	
	provided that the transmission	provided that the transmission	
	system operator is informed	system operator is informed	
	sufficiently in advance. Where a	sufficiently in advance. Where a	
	transmission system operator	transmission system operator	
	refuses any secondary trade	refuses any secondary trade	
	(transaction), this shall be	(transaction), this shall be	

	clearly and transparently		clearly and transparently	
	communicated and explained to		communicated and explained to	
	all the market participants by		all the market participants by	
	that transmission system		that transmission system	
	operator and notified to the		operator and notified to the	
	regulatory authority.		regulatory authority.	
271.	7. Transmission system	AM 76	7. Transmission system	
	operators shall not limit the	7. Transmission system	operators shall not limit the	
	volume of interconnection	operators shall not limit the volume	volume of interconnection	
	capacity to be made available to	of interconnection capacity to be	capacity to be made available to	
	other market participants in	made available to other market	market participants in order	
	order to solve congestion inside	participants in order to solve	to solve congestion inside their	
	their own control area or as a	congestion inside their own control	own bidding zone or as a	
	means of managing flows on a	area or as a means of managing	means of managing flows	
	border between two control	flows on a border between two	leaving and re-entering the	
	areas observed even without any	control areas observed even without	same bidding zone without	
	transaction, that is to say flows	any transaction, that is to say flows	being scheduled unless	
	over control areas caused by	over control areas caused by origin	otherwise provided under	
	origin and destination within	and destination within one control	paragraph 7a or 7b.	
	one control area.	area.	paragraph /a or /b.	
272.	one control area.	Without prejudice to the forth	Without prejudice to the	
2/2.		subparagraph of Article 13(5), this	application of the derogations	
		paragraph shall be considered to		
			under paragraph 7a and 7b,	
		be complied with if the following	this paragraph shall be	
		minimum levels of available	considered to be complied with	
		capacity for cross-zonal trade,	if the following minimum	
		which is calculated pursuant to the	levels of available capacity for	
		capacity allocation and congestion	cross-zonal trade, which is	
		management guideline adopted on	calculated pursuant to the	
		the basis of Article 18 of	capacity allocation and	
		Regulation (EU) 714/2009 taking	congestion management	
		account of contingencies, are	guideline adopted on the basis	
		reached:	of Article 18 of Regulation	
			(EU) 714/2009 taking account	
			of N-1 criterion, are reached:	

273.	(i) for borders using a	(i) For borders using a	
	coordinated net transfer capacity	coordinated net transmission	
	approach, if at least 75 % of the	capacity approach, 75% of the	
	net transfer capacity pursuant to	net transfer capacity pursuant	
	capacity allocation and congestion	to capacity allocation and	
	management guideline are made	congestion management	
	available for cross-border trade;	guideline adopted on the basis	
		of Article 18 of the Regulation	
		714/2009;	
274.	(ii) for borders using a flow-	(ii) For borders using a	
	based approach, if on cross-zonal	flow-based approach, 75% of	
	and internal critical network	the remaining available	
	elements considered in the flow-	margin on internal and cross	
	based calculation at least 75 % of	border critical network	
	the thermal capacity after	elements made available for	
	reduction of the amount required	cross border flows pursuant to	
	to secure the N-1 principle	capacity allocation and	
	pursuant to the capacity allocation	congestion management	
	and congestion management	guideline adopted on the basis	
	guideline is used as an input for	of Article 18 of the Regulation	
	capacity allocation.	714/2009.	
275.		The derogations pursuant to	
		paragraph 7a shall not result	
		with a value below this	
		threshold.	

276.		7a. Based on a proposal by	
		all transmission system	
		operators of a capacity	
		calculation region , the	
		relevant regulatory authorities	
		by way of derogation from	
		paragraph 7 shall approve the	
		level of total available cross-	
		zonal capacity at each bidding	
		zone border, which shall be	
		used in the capacity	
		calculation methodology, to	
		take account of cross-zonal	
		unscheduled flows to the	
		extent that could be expected	
		without structural congestions	
		in a bidding zone.	
277.	Upon request by a transmission	7b. Upon request by []	
	system operator, the relevant	transmission system operators of	
	regulatory authority may grant a	a capacity calculation region [
	derogation from the first	the relevant regulatory	
	subparagraph where it is	authorities may grant a	
	necessary for maintaining	derogation from [] paragraph	
	operational security or where it	7 for foreseeable reasons where	
	is beneficial to economic	it is necessary for maintaining	
	efficiency at Union level. Such a	operational security [] other	
	derogation, which may not relate	than the ones covered under	
	to curtailment of already	paragraph 7a, for instance in	
	allocated capacities pursuant to	case of grid maintenance	
	paragraph 5, shall be limited in	measures. Such a derogation,	
	time, strictly limited to what is	which may not relate to	
	necessary, and avoid discrimination between internal	curtailment of already allocated	
	and cross-zonal exchanges.	capacities pursuant to paragraph	
	Before granting a derogation,	5, shall be limited [] to one	
	the relevant regulatory authority	,	
	shall consult the regulatory	year at a time, or up to	
ldot	shan consult the regulatory		

	authorities of other Member States forming part of an affected capacity calculation region. In case a regulatory authority disagrees with the proposed derogation, the Agency shall decide on the derogation pursuant to Article 6(8)(a) [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2]. The justification and reasons for the derogation shall be published. Where a derogation is granted, the relevant transmission system operators shall develop and publish a methodology and projects that shall provide a long-term solution to the issue that the derogation seeks to address. The derogation shall expire when the time limit is	maximum two years with a significantly decreasing level of the derogation each year, be strictly limited to what is necessary, and avoid discrimination between internal and cross-zonal exchanges. [] The justification and reasons for the derogation shall be published. Where a derogation is granted, the relevant transmission system operators shall develop and publish a methodology and projects [] that shall provide a long-term solution to the issue that the derogation seeks to address. The derogation shall expire when the time limit is reached or, once the solution is applied, whichever is earlier.	
	reached or, once the solution is applied, whichever is earlier.		
278.	8. Market participants shall inform the transmission system operators concerned a reasonable time in advance of the relevant operational period whether they intend to use allocated capacity. Any allocated capacity that will not be used shall be reattributed to the market, in an open, transparent and non-discriminatory manner.	8. Market participants shall inform the transmission system operators concerned a reasonable time in advance of the relevant operational period whether they intend to use allocated capacity. Any allocated capacity that will not be used shall be reattributed to the market, in an open, transparent and non-discriminatory manner.	

279.	9. Transmission system	9. Tr	ransmission system
	operators shall, as far as	operators	s shall, as far as
	technically possible, net the	technical	lly possible, net the
	capacity requirements of any		requirements of any
	power flows in opposite		ows in opposite
	direction over the congested		n over the congested
	interconnection line in order to		nection line in order to
	use that line to its maximum	use that 1	line to its maximum
	capacity. Having full regard to	capacity.	. Having full regard to
	network security, transactions		security, transactions
	that relieve the congestion shall		eve the congestion shall
	never be denied.	never be	
280.	10. The financial	10. Th	he financial
	consequences of failure to	conseque	ences of failure to
	honour obligations associated		obligations associated
	with the allocation of capacity	with the	allocation of capacity
	shall be attributed to those who	shall be a	attributed to those who
	are responsible for such a		onsible for such a
	failure. Where market		Where market
	participants fail to use the		ants fail to use the
	capacity that they have		that they have
	committed to use, or, in the case		ed to use, or, in the case
	of explicitly auctioned capacity,		citly auctioned capacity,
	fail to trade on a secondary basis		ade on a secondary basis
	or give the capacity back in due		he capacity back in due
	time, they shall lose the rights to		ey shall lose the rights to
	such capacity and pay a cost-		pacity and pay a cost-
	reflective charge. Any cost-		e charge. Any cost-
	reflective charges for the non-		e charges for the non-
	use of capacity shall be justified		apacity shall be justified
	and proportionate. If a		portionate. If a
	transmission system operator		sion system operator
	does not fulfil its obligation, it		fulfil its obligation, it
	shall be liable to compensate the		liable to compensate the
	market participant for the loss of		participant for the loss of
	capacity rights. Consequential	capacity	rights. Consequential

	losses shall not be taken into account for that purpose. The key concepts and methods for the determination of liabilities that accrue upon failure to honour obligations shall be set out in advance in respect of the financial consequences, and shall be subject to review by the relevant national regulatory	losses shall not be taken into account for that purpose. The key concepts and methods for the determination of liabilities that accrue upon failure to honour obligations shall be set out in advance in respect of the financial consequences, and shall be subject to review by the relevant [] regulatory authority
	authority or authorities.	or authorities.
281.	addition of definition.	11. When allocating costs of
201.		remedial actions between
		transmission system operators,
		regulators shall analyse to
		what extent flows leaving and
		re-entering a bidding zone
		without being scheduled
		contribute to the congestion
		between two bidding zones
		observed, and allocate the
		costs in proportion to the
		contribution to the congestion
		in line with re-dispatching and
		countertrading cost sharing
		methodology in accordance
		with the capacity allocation
		and congestion management
		guideline adopted on the basis
		of Article 18 of Regulation
		(EU) 714/2009 and Article 76
		of Commission Regulation (EU) 2017/XYZZ. This shall
		not apply to the threshold
		pursuant to paragraph 7a.

<i>282</i> .		Article 15
283.	1. Transmission system operators shall recalculate available cross-zonal capacity at least after day-ahead and after intraday cross-zonal gate closure times. Transmission system operators shall allocate the available cross-zonal capacity plus any remaining cross-zonal capacity plus any remaining cross-zonal capacity released by physical transmission right holders from previous allocations in the next cross-zonal capacity allocation process.	1. Transmission system operators shall recalculate available cross-zonal capacity at least after day-ahead and after intraday cross-zonal gate closure times. Transmission system operators shall allocate the available cross-zonal capacity plus any remaining cross-zonal capacity plus any remaining cross-zonal capacity released by physical transmission right holders from previous allocations in the next cross-zonal capacity allocation process.
284.		1a. Transmission system operators shall define an appropriate structure for the allocation of cross-zonal capacity across timeframes, including day-ahead, intraday and balancing. Such an allocation structure shall be subject to review by the respective regulatory authorities. In drawing up their proposal, the TSOs shall take into account:

285.		a) the characteristics of the
		markets;
286.		b) the operational
		condition, such as the
		implications of netting firmly
		declared schedules;
287.		c) the level of
		harmonisation of the
		percentages and timeframes
		adopted for the different
		cross-zonal capacity allocation
		mechanisms in place.
288.	2. When cross-zonal	2. When cross-zonal
	capacity is available after the	capacity is available after the
	intraday cross-zonal gate closure	intraday cross-zonal gate closure
	time, transmission system	time, transmission system
	operators shall use the cross-	operators shall use the cross-
	zonal capacity for the exchange	zonal capacity for the exchange
	of balancing energy or for	of balancing energy or for
	operating the imbalance netting	operating the imbalance netting
	process.	process.

289.	3. Transmission system operators shall use the methodologies developed in network codes and guidelines on balancing, where applicable, to allocate cross-zonal capacity for the exchange of balancing capacity or sharing of reserves pursuant to Article 5(4) and (7).	3. Where cross-zonal capacity is allocated for the exchange of balancing capacity or sharing of reserves pursuant to Article 5(8), transmission system operators shall use the methodologies developed in [] accordance with the balancing guideline adopted on the basis of Article 18 of the Regulation 714/2009.	
290.	4. Transmission system operators shall not increase the reliability margin calculated pursuant to Regulation (EU) 2015/1222 due to the exchange of balancing capacity or sharing of reserves.	4. Transmission system operators shall not increase the reliability margin calculated pursuant to Regulation (EU) 2015/1222 due to the exchange of balancing capacity or sharing of reserves.	

291.	Section 2 Network charges and congestion income				
292.	Article 16 Charges for access to networks	AM 77 Charges for access to networks, use of networks and reinforcement	Article 16 Charges for connection and access to networks		
293.	1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. In particular, they shall be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage and shall not create disincentives for participation in demand response. Without prejudice to paragraph 3, those charges shall	1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be fair, costreflective, transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. Grid tariffs shall not include unrelated costs supporting other policy objectives, such as taxes or levies, as this would distort production, consumption and investment decisions. In particular, they shall neutrally support overall system efficiency in the long run through price signals to consumers and producers and they shall as far as possible be applied in a way which does not discriminate between production connected at the distribution level and production	1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. [] Without prejudice to Article 15(1) and (6) and the criteria in Annex XI of Directive 2012/27/EU the method used to develop the network charges shall in particular be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not unduly discriminate either positively or negatively		

	not be distance-related.	connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage and aggregation and shall not create disincentives for self-generation, self-consumption and for participation in demand response. Without prejudice to paragraph 3, those charges shall not be distance-related.	against energy storage and shall not create disincentives for participation in demand response. Without prejudice to paragraph 3, those charges shall not be distance-related.	
294.	2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and support investments and the related research activities.	AM 79 2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and global competitiveness, and support efficient investments, in particular in digitalisation, flexibility services and interconnections, and the related research activities. Tariffs shall not create disincentives for energy storage, demand response or self-generation production.	2. Tariff methodologies shall [] reflect appropriate incentives and fixed costs of transmission and distribution system operators. The allowed revenues to be recovered through tariffs shall reflect appropriate incentives to transmission and distribution system operators over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration, [] security of supply, and support investments, [] the related research activities and facilitate innovation in the consumer's interest.	
295.	3. Where appropriate, the level of the tariffs applied to producers and/or consumers shall provide locational signals		3. Where appropriate, the level of the tariffs applied to producers and/or consumers shall provide locational signals	

	•	
	at Union level, and take into	at Union level, and take into
	account the amount of network	account the amount of network
	losses and congestion caused,	losses and congestion caused,
	and investment costs for	and investment costs for
	infrastructure.	infrastructure.
296.	4. When setting the charges	4. When setting the charges
	for network access, the	for network access, the
	following shall be taken into	following shall be taken into
	account:	account:
297.	(a) payments and receipts	(a) payments and receipts
	resulting from the inter-	resulting from the inter-
	transmission system operator	transmission system operator
	compensation mechanism;	compensation mechanism;
298.	(b) actual payments made and	(b) actual payments made and
	received as well as payments	received as well as payments
	expected for future periods of	expected for future periods of
	time, estimated on the basis of	time, estimated on the basis of
	past periods.	past periods.
299.	5. Setting the charges for	5. Setting the charges for
	network access under this	network access under this
	Article shall be without	Article shall be without
	prejudice to charges resulting	prejudice to charges resulting
	from congestion management	from congestion management
	referred to in Article 14.	referred to in Article 14.
300.	1	6. There shall be no specific
	network charge on individual	network charge on individual
	transactions for cross-border	transactions for cross-[] zonal
	trade of electricity.	trade of electricity.
		nade of electricity.

301. 7. Distribution tariffs shall reflect the cost of use of the distribution network by system users including active customers, and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, regulatory authorities may introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable way for the consumer.

AM 80

Transmission and distribution tariffs shall be costreflective by taking into account the investment cost, added value of distributed generation, flexibility, digitalisation, demand response, storage and use of the transmission and distribution network by system users including active customers, may contain grid connection capacity elements and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, competent regulatory authorities shall introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable and cost efficient way for the consumer. Member States shall ensure that tariffs are not discriminatory.

Distribution tariffs shall reflect the cost of use of the distribution network by system users including active customers, and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, [] time differentiated network tariffs may be introduced, reflecting the use of the network, in a transparent and foreseeable way for the consumer.

302. 8. Regulatory authorities shall provide incentives to distribution system operators to procure services for the operation and development of their networks and integrate innovative solutions in the distribution systems. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, in their networks.

AM 81

Regulatory authorities shall provide incentives to distribution system operators for the *most* efficient operation and development of their networks and integrate innovative solutions in the distribution systems, including through the procurement of services. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, flexibility and the digitalisation of the distribution networks including the deployment of smart grids and intelligent metering systems, in their networks.

8. [] The allowed revenues to be covered through distribution tariffs may include performance targets in order to incentivise distribution system operators [] to operate their networks as efficiently as possible.

303.	9. By [OP: please add	AM 82	9. By [OP: please add	
	specific date – three months	9. By [OP: please add specific	specific date – three months	
	after entry into force] the	date – three months after entry into	after entry into force] to	
	Agency shall provide a	force] the Agency shall <i>evaluate</i>	mitigate the risk of market	
	recommendation addressed to	the feasibility on the convergence	fragmentation the Agency shall	
	regulatory authorities on the	of transmission and distribution	provide a [] best practice	
	progressive convergence of	tariff methodologies. <i>The</i>	report on [] transmission and	
	transmission and distribution	feasibility study shall address at	distribution tariff methodologies	
	tariff methodologies. That	least:	while leaving sufficient room	
	recommendation shall address at		to take national specificities	
	least:		into account. That [] best	
			practice report shall address at	
			least:	
304.	(a) the ratio of tariffs applied		(a) the ratio of tariffs applied	
	to producers and to consumers;		to producers and to consumers;	
305.	(b) the costs to be recovered		(b) the costs to be recovered	
	by tariffs;		by tariffs;	
306.	(c) time differentiated		(c) time differentiated	
	network tariffs;		network tariffs;	
307.	(d) locational signals;		(d) locational signals;	
308.	(e) the relationship between		(e) the relationship between	
	transmission and distribution		transmission and distribution	
	tariffs, including principles		tariffs, []	
	relating to non-discrimination;			
309.	(f) methods to ensure		(f) methods to ensure	
	transparency in the setting and		transparency in the setting and	
	structure of tariffs;		structure of tariffs;	
310.	(g) groups of network users	AM 83	(g) groups of network users	
	subject to tariffs, including tariff	(g) groups of network users	subject to tariffs, including tariff	
	exemptions.	subject to tariffs <i>according to</i>	exemptions.	
		characteristics and forms of		
		consumption, including tariff		
		exemptions		

311.		The Agency shall update its report at least once every two
		years.
312.	AM 84 Article 16 – paragraph 9 a (new) 9a. Regulatory authorities shall adopt a set of indicators for measuring the performance of transmission and distribution system operators, which should at least include all of the following:	
313.	(a) volume of curtailed energy in MWh, disaggregated per type of generation source;	
314.	(b) percentage of the length of lines operated under dynamic line ratings;	
315.	(c) percentage of substations remotely monitored and controlled in real-time;	
316.	(d) percentage of the length of lines operated under dynamic line ratings;	
317.	(e) losses in high, medium and low-voltage grids;	
318.	(f) the frequency and duration of power interruptions on the grid.	

319.		By [two years after the entry into force of this Regulation], and every two years thereafter, regulatory authorities shall publish a report on the performance of transmission and distribution system operators, together with recommendations for improvement where necessary.		
320.	10. Without prejudice to further harmonisation by way of delegated acts pursuant to Article 55(1)(k), regulatory authorities shall take the Agency's recommendation duly into consideration when approving or fixing transmission tariffs or their methodologies in accordance with Article 59(6)(a) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].			
321.	11. The Agency shall monitor the implementation of its recommendation and provide a report to the Commission by 31st January each year. It shall update the recommendation at least once every two years.		[]	

<i>322.</i>	Article 17		
	Congestion income		
323.	1. Congestion-management	1. Congestion-management	
	procedures associated with a	procedures associated with a	
	pre-specified timeframe may	pre-specified timeframe may	
	generate revenue only in the	generate revenue only in the	
	event of congestion which arises	event of congestion which arises	
	for that timeframe, except in the	for that timeframe, except in the	
	case of new interconnectors	case of new interconnectors	
	which benefit from an	which benefit from an	
	exemption under Article 7 of	exemption under Article 7 of	
	Regulation (EC) No 1228/2003,	Regulation (EC) No 1228/2003,	
	Article 17 of Regulation (EC)	Article 17 of Regulation (EC)	
	No 714/2009 or Article 59. The	No 714/2009 or Article 59. The	
	procedure for the distribution of	procedure for the distribution of	
	those revenues shall be subject	those revenues shall be subject	
	to review by the regulatory	to review by the regulatory	
	authorities and shall neither	authorities and shall neither	
	distort the allocation process in	distort the allocation process in	
	favour of any party requesting	favour of any party requesting	
	capacity or energy nor provide a	capacity or energy nor provide a	
	disincentive to reduce	disincentive to reduce	
	congestion.	congestion.	

324.	from the allocation of interconnection capacity shall be used for the following purposes:	AM 85 2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:	2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:	
325.	(a) guaranteeing the actual availability of the allocated capacity;	(a) guaranteeing the actual availability of the allocated capacity; <i>or</i>	(a) guaranteeing the actual availability of the allocated capacity including firmness compensation;	
326.	(b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors.	(b) maintaining or increasing interconnection capacities through optimisation of the usage of existing interconnectors by coordinated remedial and countertrading actions or network investments, up to the target value for transfer capacity at crossborder boundaries.	(b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors and internal lines and internal lines which are listed in Ten Years Network Development Plan of the ENTSO for Electricity as being relevant to reduce interconnector congestion,	
327.			(c) or if applicable, cross border remedial actions such as redispatch and counter- trading.	
328.	If the revenues cannot be efficiently used for the purposes set out in points (a) or (b) of the first subparagraph, they shall be placed on a separate internal account line for future use on these purposes.	Where the objectives set out in points (a) and (b) of the first subparagraph are fulfilled, the residual revenues may be used as income to be taken into account by the national regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.	2a. [] The revenues [] may be used, subject to the approval by the regulatory authorities of the Member States concerned, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.	

329.	3. The use of revenues in	AM 86	3. The use of revenues in	
0220	accordance with points (a) and	3. The use of revenues in	accordance with points (a)	
	(b) of paragraph 2 shall be	accordance with [] paragraph 2	(b) or (c) of paragraph 2 shall be	
	subject to a methodology	shall be subject to a methodology	subject to a methodology	
	· ·			
	proposed by the Agency and	proposed by the Agency and	proposed [] by the	
	approved by the Commission.	approved by the Commission. The	transmission system operators	
	The Agency's proposal shall be	Agency's proposal shall be	in consultation with regulatory	
	submitted to the Commission by	submitted to the Commission by	authorities and approved by	
	[OP: 12 months after entry into	[OP: 12 months after entry into	the Agency. The transmission	
	force] and be approved within	force] and be approved within six	system operators shall submit	
	six months.	months.	the proposal to the Agency by	
			[OP: 12 months after entry into	
			force] and the Agency shall	
			decide on it within six months.	
330.	The Agency may, at its own		[[]	
	initiative or upon a request from			
	the Commission update the			
	methodology and the			
	Commission shall approve the			
	updated methodology not later			
	than six months from its			
	submission.			
331.	Before submission to the			
	Commission, the Agency shall			
	consult on the methodology			
	pursuant to Article 15 [recast of			
	Regulation (EC) No 713/2009 as			
	proposed by COM(2016)			
	863/21.			
332.	The methodology shall detail as	The methodology shall detail as a	3a. The methodology shall	
552.	a minimum the conditions under	minimum the conditions under	detail as a minimum the	
	which the revenues can be used	which the revenues can be used for	conditions under which the	
	for points (a) and (b) of	[] paragraph 2 and the conditions	revenues [] are deemed to	
	paragraph 2 and the conditions	under which, and for how long,	have fulfilled the objectives	
	under which, and for how long,	they may be placed on a separate	expressed in points (a) [] (b)	
	under which, and for now long,	mey may be placed on a separate	expressed in points (a) [] (b)	

	they may be placed on a	internal account line for future use	or (c) of paragraph 2 [].	
	separate internal account line for	on those purposes.		
	future use on those purposes.			
333.	4. Transmission system	AM 87	3b. Transmission system	
	operators shall clearly establish	4. Transmission system	operators shall clearly establish	
	beforehand how any congestion	operators shall clearly establish	beforehand how any congestion	
	income will be used, and report	beforehand how any congestion	income will be used, and report	
	on the actual use of that income.	income will be used, and report on	on the actual use of that income.	
	On an annual basis, and by 31	the actual use of that income. On an	On an annual basis, and by [] 1	
	July each year, the national	annual basis, and by 31 July each	March each year, the []	
	regulatory authorities shall	year, the national regulatory	regulatory authorities shall	
	publish a report setting out the	authorities shall publish a report	publish a report setting out the	
	amount of revenue collected for	setting out the amount of revenue	amount of revenue collected for	
	the 12-month period ending on	collected for the 12-month period	the 12-month period ending on	
	30 June of the same year and	ending on 30 June of the same year	31 [] December of the []	
	how that revenue was used,	and how that revenue was used,	previous calendar year and	
	including the specific projects	including the specific projects the	how that revenue was used	
	the income has been used for or	income has been used for the	pursuant to paragraph 2,	
	the amount placed on a separate	amount placed on a separate	including the specific projects	
	account line, together with	account line, or the amount that	the income has been used for or	
	verification that that use	has been used when calculating	the amount placed on a separate	
	complies with this Regulation	network tariffs, together with	account line or the amount that	
	and the methodology developed	verification that that use complies	has been used when	
	pursuant to paragraph 3.	with this Regulation. <i>Where some</i>	calculating network tariffs,	
		of the congestion revenues are	together with verification that	
		used when calculating network	that use complies with this	
		tariffs, the report may set out the	Regulation and the methodology	
		fulfilment by the transmission	developed pursuant to paragraph	
		system operator of the commitment	3. In such cases where some of	
		and balance sheet criteria pursuant	the congestion revenues are	
		to paragraph 2.	used when calculating network	
			tariffs, the report shall set out	
			how the TSOs fulfilled the	
			priority objectives in Article 2	
			where applicable.	

334.		Chapter IV Resource adequacy		
335.		AM 88 Resource adequacy and capacity mechanisms	Article 18 Resource adequacy	
336.	1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19.	AM 89 1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19 and shall publish a report on the results of the monitoring.	1. Member States shall monitor resource adequacy within their territory [] based on the European resource adequacy assessment pursuant to Article 19 and may perform in addition national resource adequacy assessment pursuant to Article 19a.	
337.	2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions that caused or contributed to the emergence of the concern.	AM 90 2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions <i>and/or market failures</i> that caused or contributed to the emergence of the concern.	2. Where the European or the national resource adequacy assessments identify a resource adequacy concern Member States shall identify any regulatory distortions or market distortions, or system bottlenecks such as insufficient infrastructure, that caused or contributed to the emergence of the concern.	
338.	3. Member States shall publish a timeline for adopting measures to eliminate any identified regulatory distortions. When addressing resource adequacy concerns Member States shall in particular consider removing regulatory distortions, enabling scarcity pricing, developing	AM 91 3. A Member State with identified adequacy concerns shall publish an implementation plan with a timeline for adopting measures to eliminate any identified regulatory distortions and/or market failures. When addressing resource adequacy concerns, the Member States shall	3. Member States shall publish roadmap with a concrete timeline for adopting measures to eliminate any identified regulatory distortions [] or market distortions, or system bottlenecks. When addressing resource adequacy concerns Member States shall in particular take into account the	

	interconnection, energy storage, demand side measures and energy efficiency.	build on the principles set out in Article 3 and in particular:	principles defined in Article 3 and consider removing regulatory distortions, enabling scarcity pricing via free price formation, developing interconnections with other Member States, allowing for undistorted market access for all market participants including, but not limited to	
			energy storage, demand side measures and energy efficiency.	
339.		(a) remove regulatory distortions;	y-	
340.		(b) remove price caps;		
341.		(c) introduce an administrative shortage pricing for balancing energy;		
342.		(d) increase interconnection and internal grid capacity;		
343.		(e) enable self-generation, energy storage, demand side measures and energy efficiency by removing regulatory obstacles;		
344.		(f) ensure cost-efficient and market-based procurement of balancing and ancillary services;		
345.		(g) remove regulated prices in accordance with Article 5 of Directive (EU) [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		

346.	AM 92	
340.	Article 18 – paragraph 3 a (new)	
	3 a. The Member States shall	
	submit the implementation plan to	
	the Commission for review.	
347.	AM 93	
	Article 18 – paragraph 3 b (new)	
	3 b. The Commission may	
	decide, within two months of	
	receipt of the implementation plan,	
	whether the measures are	
	sufficient to eliminate the	
	regulatory distortions and/or	
	market failures and may require	
	the Member State to amend the	
	implementation plan accordingly.	
348.	AM 94	
346.		
	Article 18 – paragraph 3 c (new)	
	3 c. The Member State shall	
	monitor the application of the	
	implementation plan and shall	
	publish the results in an annual	
	report.	

349.	AM 95
	Article 18 – paragraph 3 d (new)
	3 d. The Member State shall
	submit a report relating to their
	monitoring of the application of
	the implementation plan to the
	Agency for an opinion.
350.	AM 96
	Article 18 – paragraph 3 e (new)
	3 e. The Agency shall submit its
	opinion under paragraph 3d to the
	Commission. The Commission
	shall decide whether the reforms
	have been sufficiently
	implemented.

351.	3a. Where the national	
	resource adequacy assessment	
	identifies a concern with	
	regards to a bidding zone and	
	the European resource	
	adequacy assessment has not	
	identified a concern with	
	regards to the same bidding	
	zone, the body governing the	
	national resource adequacy	
	assessment shall consult the	
	ENTSO for Electricity and	
	request for an opinion of the	
	Agency. To this extent the	
	body governing the national	
	resource adequacy assessment	
	shall, within one month from	
	the publication of the national	
	resource adequacy assessment,	
	submit to the ENTSO for	
	Electricity and the Agency a	
	report reasoning the occurring	
	divergence between the two	
	resource adequacy	
	assessments. Within one	
	month from the date of the	
	submission of the report the	
	ENTSO for Electricity shall	
	provide its assessment on these	
	divergences and within two	
	months from the date of the	
	submission of the report the	
	Agency shall provide an	
	opinion. The concerned	
	Member State shall take due	

		notice of the assessment and	
		the opinion.	
352.	AM 97		
	Article 18 a (new)		
	General principles for capacity		
	mechanisms		
353.	1. To address residual		
	concerns that cannot be eliminated		
	by the measures pursuant to		
	Article 18(3), Member States may,		
	as a last resort and subject this		
	Article and to Union State aid		
	rules, introduce capacity		
	mechanisms		
354.	2. Before introducing capacity		
	mechanisms under paragraph, as		
	referred to in paragraph 1,		
	Member States shall conduct a		
	comprehensive study of their		
	possible effects on the		
	neighbouring Member States by		
	consulting, at least, its electrically		
	connected neighbouring Member		
	States and the stakeholders of		
	those Member States.		

355.	3. Member States shall assess	
	whether a capacity mechanism in	
	the form of strategic reserve can	
	address the adequacy concerns.	
	Where this is not the case, Member	
	States may implement a different	
	type of capacity mechanism. The	
	parameters determining the	
	amount of capacity procured in the	
	capacity mechanism shall be	
	approved by the national	
	regulatory authority.	
356.	4. Member States shall not	
	introduce capacity mechanisms	
	where one or both of the following	
	applies: (a) the European resource	
	adequacy assessment has not	
	identified a resource adequacy	
	concern; (b) the detailed	
	implementation plan as referred to	
	in Article 18(3) has not received a	
	positive decision by the	
	Commission as referred to in	
	Article 18(3b).	
357.	5. Where a Member State	
	already applies a capacity	
	mechanism, it shall review that	
	mechanism and shall provide that	
	no new contracts are concluded	
	under that mechanism where one	
	or both of the following applies:	
358.	(a) the European resource	
	adequacy assessment has not	
	identified a resource adequacy	
	concern;	

359.	(b) the detailed implementation
	plan as referred to in Article 18(3)
	has not received a positive decision
	by the Commission as referred to
	in Article 18(3b).
360.	6. Capacity mechanisms shall
	be temporary. They shall be
	approved by the Commission for
	no longer than five years. They
	shall be phased out or the amount
	of the committed capacities shall
	be reduced based on the
	implementation plan pursuant to
	Article 18(3). Member States shall
	continue the application of the
	implementation plan after the
	introduction of the capacity
	mechanism.
361.	7. Generation capacity which
	has started commercial production
	after [OP: date of entry into force
	of this Regulation] shall be eligible
	to participate in a capacity
	mechanism only if its emissions
	are below 550 gr CO2/kWh. With
	the exception of strategic reserves
	generation capacity emitting 550
	gr CO2/kWh or more shall not be
	committed in capacity mechanisms
	after [OP: 5 years after the entry
	into force of this Regulation
	The Joint of the Holling

<i>362</i> .			Article 19	
		European reso	ource adequacy assessment	
363.	1. The European resource adequacy assessment shall cover the overall adequacy of the electricity system to supply current and projected demands for electricity for a ten-year period from the date of that assessment, in a yearly resolution.	AM 98 1. The European resource adequacy assessment shall determine resource adequacy concerns by assessing the overall adequacy of the electricity system to supply current and projected demands for electricity in the Union, within the relevant Member States in the region, for each Member State and down to each bidding zone where relevant, for a ten-year period from the date of that assessment, in a yearly resolution.	1. The European resource adequacy assessment shall cover the overall adequacy of the electricity system to supply current and projected demands for electricity for every single year within for a ten-year period from the date of that assessment [].	
364.		AM 99 Article 19 – paragraph 1 a (new) 1a. The European resource assessment shall be conducted by the ENTSO for Electricity.		
365.	2. By [OP: six months after entry into force of this Regulation], the ENTSO for Electricity shall submit to the Agency a draft methodology for the European resource adequacy assessment based on the principles provided for in paragraph 4.		2. By [OP: six months after entry into force of this Regulation], the ENTSO for Electricity shall submit to the Electricity Coordination Group and the Agency a draft methodology for the European resource adequacy assessment based on the principles provided for in paragraph 4.	

366.	3. Transmission system operators shall provide the ENTSO for Electricity with the data it needs to carry out, every year, the European resource adequacy assessment. The ENTSO for Electricity shall carry out the assessment every year.	AM 100 3. Transmission system operators shall provide the ENTSO for Electricity with the necessary data. The transmission system operators shall have the right to request relevant data not containing commercially sensitive information, and not already collected by the relevant DSO, from generators and other market participants.	3. Transmission system operators shall provide the ENTSO for Electricity with the data it needs to carry out [] the European resource adequacy assessment. The ENTSO for Electricity shall carry out the assessment every year. Generators and other market participants shall provide transmission system operators with data regarding expected utilization of the generation resources, considering the availability of primary resources and appropriate scenarios of projected demand and supply.	
367.	4. The European resource adequacy assessment shall be based on a methodology which shall ensure that the assessment:	AM 101 Article 19 – paragraph 4 – introductory part 4. The European resource adequacy assessment shall be based on a transparent methodology which shall ensure that the assessment:	4. The European resource adequacy assessment shall be based on a methodology which shall [] make possible that the assessment:	
368.	(a) is carried out on bidding zone level covering at least all Member States;		(a) is carried out on each respective bidding zone level covering at least all Member States;	
369.	(b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, newbuild of generation assets and	AM 102 (b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, <i>mothballing</i> , new-build	(b) is based on appropriate central scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, newbuild of generation assets and	

	measures to reach energy efficiency targets and appropriate sensitivities on wholesale prices and carbon price developments;	of generation assets and measures to reach energy efficiency <i>and electricity interconnection</i> targets and appropriate sensitivities on wholesale prices and carbon price developments;	measures to reach energy efficiency targets and appropriate sensitivities on extreme weather events, hydrological conditions, wholesale prices and carbon price developments;	
370.		AM 103 Article 19 – paragraph 4 – point b a (new) (ba) contains a worst case scenario which reflects the exceptionality and different likeliness of the rare events a strategic reserve is designed to address; the generation adequacy gap in such a worst case scenario shall only justify a strategic reserve with a size of not more than 5% of the peak load of the respective Member State;		
371.			(ba) reflects on how the different types of capacity mechanisms address adequacy concerns;	
372.	(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;	AM 104 (c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, sectoral integration, demand response, and import and export possibilities and their contribution to flexible system operation;	(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;	

373.	(d) anticipates the likely	(d) anticipates the likely	
	impact of the measures referred	impact of the measures referred	
	in Article 18(3);	in Article 18(3);	
374.	(e) includes scenarios without	(e) includes scenarios without	
	existing or planned capacity	and where applicable with	
	mechanisms;	existing or planned capacity	
		mechanisms;	
375.	(f) is based on a market	(f) is based on a market	
	model using, where applicable,	model using, where applicable,	
	the flow-based approach;	the flow-based approach;	
376.	(g) applies probabilistic	(g) applies probabilistic	
	calculations;	calculations;	
377.		(ga) applies a single	
		modelling tool with the	
		possibility to use it for national	
		scenarios, sensitivities and	
		assumptions;	
378.	(h) applies at least the	(h) applies at least the	
	following indicators:	following indicators referred to	
		in Article 20:	
379.	 "expected energy not 	 "expected energy not 	
	served", and	served", and	
380.	"loss of load expectation";	"loss of load expectation";	
381.	(i) identifies the sources of	(i) identifies the sources of	
	possible resource adequacy	possible resource adequacy	
	concerns, in particular whether it	concerns, in particular whether it	
	is a network or a resource	is a network or a resource	
	constraint, or both.	constraint, or both.	

382.		AM 105		
		Article 19 – paragraph 4 – point i		
		a (new)		
		(ia) respects real network		
202		development.	(i)	
383.			(j) ensures that national	
			characteristics of generation,	
			demand flexibility and storage,	
			the availability of primary resources and the level of	
			interconnection are properly	
			taken into consideration;	
384.	5. By [OP: six months after		5. By [OP: six months after	
304.	entry into force of this		entry into force of this	
	Regulation], the ENTSO for		Regulation], the ENTSO for	
	Electricity shall submit to the		Electricity shall submit to the	
	Agency a draft methodology for		Agency a draft methodology for	
	calculating:		calculating:	
385.	(a) the value of lost load;			
	(a) use value of rest result,		(a) the value of lost load;	
386.		AM 106		
		Article 19 – paragraph 5 –		
		subparagraph 1 a (new)		
		The methodology shall be based on		
		a transparent, objective and		
		verifiable criteria.		
387.	(b) the "cost of new entry"		(b) the "cost of new entry" for	
	for generation, or demand		generation, or demand response;	
	response; and		and	
388.	(c) the reliability standard		(c) the reliability standard []	
	expressed as "expected energy		referred to in Article 20	
	not served" and the "loss of load			
	expectation".			

389.	6. The proposals under	AM 107	6. The proposals under
	paragraphs 2 and 5 and the	6. The proposals under	paragraphs 2 and 5 for the draft
	results of the European resource	paragraphs 2 and 5 of this Article,	methodology, the scenarios,
	adequacy assessment under	the scenarios and assumptions on	sensitivities and assumptions
	paragraph 3 shall be subject to	which they are based, and the	on which they are based, and
	prior consultation and approval	results of the European resource	the results of the European
	by the Agency under the	adequacy assessment under	resource adequacy assessment
	procedure set out in Article 22.	paragraph 1a <i>of this Article</i> shall be	under paragraph 3 shall be
		subject to prior consultation and	subject to prior consultation
		approval by the Agency under the	with Member States, the
		procedure set out in Article 22.	Electricity Coordination
			Group and relevant
			stakeholders and approval by
			the Agency under the procedure
			set out in Article 22.

390.	Article 19a
390.	
	National resource adequacy
	assessments
391.	1. National resource
	adequacy assessment shall be
	based on the methodology
	referred in Article 19(2) in
	particular provisions provided
	in paragraph 4 (b) to (j);
	however, may provide
	additional scenarios,
	sensitivities and assumptions
	taking into account national
	considerations. The national
	resource adequacy assessment
	shall use the same modelling
	tools as used by the ENTSO
	for Electricity for the
	European resource adequacy
	assessment and the same input
	data and other data to reflect
	national scenarios, sensitivities
	and assumptions. In addition,
	national resource adequacy
	assessment, when assessing
	foreign contribution to the
	security of supply of the
	bidding zones they cover, shall
	apply the values for foreign
	contribution subject to
	provisions of Article 21.
	provisions of Article 21.

392.			1a. In addition to the national resource adequacy assessment performed pursuant to paragraph 1, Member States may perform a second assessment using	
			different modelling tools than those used by the ENTSO for Electricity for the European resource adequacy assessment	
			while following the remaining	
393.			2. National resource adequacy assessments and, where applicable, the	
			assessment of ENTSO for Electricity and the opinion of	
			the Agency pursuant to	
			paragraph 3a of article 18	
			shall be made publicly available.	
<i>394</i> .			Article 20	
374.		Rel.	iability standard	
395.	1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.	AM 108 1. When applying capacity mechanisms Member States shall have a reliability standard in place. A reliability standard shall indicate the necessary level of security of supply of the Member State in a transparent manner. In the case of cross-border bidding zones, such reliability standards shall be established jointly by the relevant authorities.	1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.	

396.	2. The reliability standard		2. The reliability standard	
	shall be set by the national		shall be set by the [] Member	
	regulatory authority based on		State or a competent authority	
	the methodology pursuant to		designated by the Member	
	Article 19(5).		State based on the methodology	
			pursuant to Article 19(5)	
397.	3. The reliability standard		3. The reliability standard	
	shall be calculated using the		shall be calculated using at least	
	value of lost load and the cost of		the value of lost load and the	
	new entry over a given		cost of new entry over a given	
	timeframe.		timeframe and be expressed as	
			"expected energy not served"	
			and the "loss of load	
			expectation".	
398.	4. The parameters	AM 109	4. When applying capacity	
	determining the amount of	deleted	mechanisms the parameters	
	capacity procured in the		determining the amount of	
	capacity mechanism shall be		capacity procured in the capacity	
	approved by the national		mechanism shall be approved by	
	regulatory authority.		the [] Member State or	
			another competent authority	
			designated by the Member	
			State.	
<i>399</i> .			Article 21	
		Cross-border partic	cipation in capacity mechanisms	
400.	1. Mechanisms other than		1. Mechanisms other than	
	strategic reserves shall be open		strategic reserves and where	
	to direct participation of		technically feasible, strategic	
	capacity providers located in		reserves, shall be open to direct	
	another Member State provided		cross-border participation of	
	there is a network connection		capacity providers located in	
	between that Member State and		another Member State []	
	the bidding zone applying the		pursuant to the provisions of	
	mechanism.		this Article.	

401.	2. Member States shall	2. Member States shall
401.		ensure that foreign capacity
	ensure that foreign capacity	
	capable of providing equivalent	capable of providing equivalent
	technical performance to	technical performance to
	domestic capacities has the	domestic capacities has the
	opportunity to participate in the	opportunity to participate in the
	same competitive process as	same competitive process as
	domestic capacity.	domestic capacity. In the case
		of capacity mechanisms in
		operation as of the [date of
		entry into force], Member
		States may allow direct
		participation in the same
		competitive process of
		interconnectors as foreign
		capacity for a maximum of
		four years after [entry into
		force] or two years following
		the approval of the
		methodologies referred to in
		paragraph 10 of this Article,
		whatever happens earlier.
		Member States may apply
		following requirements to the
		foreign capacity:

402.		(a) the capacity is located	in
		a Member State with a dire	et
		network connection between	1
		that Member State and the	
		Member State applying the	
		mechanism,	
403.		(b) the capacity is not	
		participating in another	
		capacity mechanism for wh	ch
		the capacity needs to be	
		available,	
404.	3. Member States shall not	3. Member States shall no	t
	restrict capacity which is located	restrict capacity which is loca	ted
	in their territory from	in their territory from	
	participating in capacity	participating in capacity	
	mechanisms of other Member	mechanisms of other Member	
	States.	States.	
405.	4. Cross-border participation	4. Cross-border participat	ion
	in market-wide capacity	in [] capacity mechanisms sl	all
	mechanisms shall not change,	not change, alter or otherwise	
	alter or otherwise impact cross-	impact cross-zonal schedules	
	zonal schedules and physical	and physical flows between	
	flows between Member States	Member States which shall be	
	which shall be determined solely	determined solely by the	
	by the outcome of capacity	outcome of capacity allocation	1
	allocation pursuant to Article 14.	pursuant to Article 14.	

406.	5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability	AM 110 5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability	5. Capacity providers shall be [] subject to non-availability payments in case of non-availability. In case capacity providers participate in more than one mechanism for the same delivery period, they shall be subject to [] multiple	
	payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted.	payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted. Capacity providers shall be able to participate with no more than their available maximum capacity.	non-availability payments when they are unable to fulfil multiple commitments.	
407.	6. Regional operational centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.	AM 111 6. Regional <i>coordination</i> centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.	6. Where capacity mechanisms are applied, Transmission System Operators [] shall annually calculate the maximum entry capacity available for the participation of foreign capacity [] based on the methodology referred in point (a) of paragraph 10 and taking into account the recommended values calculated by the Regional Security Coordinators pursuant to Article 34(q), 38 and 39, the level of physical interconnection between Member States, expected availability of interconnection and the likely concurrence of	

		syste appli the for calcu	em stress between the em where the mechanism is led and the system in which oreign capacity is located. A lation is required for each ling zone border.	
408.	7. Member States shall	7.	Member States shall	
	ensure that the entry capacity	ensui	re that the entry capacity	
	referred to in paragraph 6 is	refer	red to in paragraph 6 is	
	allocated to eligible capacity	alloc	ated to eligible capacity	
	providers in a transparent, non-	provi	iders in a transparent, non-	
	discriminatory and market-based	discr	iminatory and market-based	
	manner.	manr	ner.	

409.	8. Any difference in the	8. [] If there are capacity	
	cost of foreign capacity and	mechanisms open for cross-	
	domestic capacity arising	border participation in two	
	through the allocation referred	neighbouring Member States,	
	to in paragraph 7 shall accrue to	any revenues arising through	
	transmission system operators	the allocation referred to in	
	and be shared between them	paragraph 7 shall accrue to	
	according to the methodology	transmission system operators	
	referred in point (b) of	and be shared between them	
	paragraph 10. Transmission	according to the methodology	
	system operators shall use such	referred in point (b) of paragraph	
	revenues for the purposes set out	10 or a common methodology	
	in Article 17(2).	approved by both relevant	
	III / KICICIC 1 / (2).	regulatory authorities. If the	
		neighbouring Member State is	
		not applying a capacity	
		mechanism, the share of	
		revenues shall be approved by	
		the competent national	
		authority of the Member State	
		where the capacity mechanism	
		is implemented after seeking	
		the opinion of the regulatory	
		authorities of the neighbouring	
		Member States. Transmission	
		system operators shall use such	
		revenues for the purposes set out	
		in Article 17(2).	
410.	9. The transmission system	9. The transmission system	
	operator where the foreign	operator where the foreign	
	capacity is located shall:	capacity is located shall:	
411.	(a) establish whether	(a) establish whether	
	interested capacity providers can	interested capacity providers can	
		*	
	provide the technical performance as required by the	provide the technical performance as required by the	

	capacity mechanism in which	capacity mechanism in which
	the capacity provider intends to	the capacity provider intends to
	participate and register the	participate and register the
	capacity provider in the registry	capacity provider in the registry
	as eligible capacity providers.	as eligible capacity providers.
412.	(b) carry out availability	(b) carry out availability
	checks as appropriate.	checks []
413.		(c) be notified by the
		respective capacity provider
		without delay about its
		participation in foreign
		capacity mechanism
414.		(d) notify to the
717,		transmission system operator
		in the Member State applying
		the capacity mechanism the
		information received under
44.5	10 P 10P 1	paragraph 9a to 9c.
415.	10. By [OP: twelve months	10. By [OP: twelve months
	after entry into force of this	after entry into force of this
	Regulation] the ENTSO for	Regulation] the ENTSO for
	Electricity shall submit to the	Electricity shall submit to the
	Agency:	Agency:
416.	(a) a methodology for	(a) a methodology
	calculating the maximum entry	for calculating by the Regional
	capacity for cross-border	Security Coordinator and
	participation as referred to in	transmission system operators
	paragraph 6;	the maximum entry capacity for
		cross-border participation as
		referred to in paragraph 6;
417.	(b) a methodology for	(b) a methodology for sharing
	sharing the revenues referred to	the revenues referred to in
	in paragraph 8;	paragraph 8;
	m paragraph o,	paragraph o,

418.	(c) common rules to carry out	(c) common rules to carry out
	availability checks referred to in	availability checks referred to in
	point (b) of paragraph 9;	point (b) of paragraph 9;
419.	(d) common rules to	(d) common [] principles to
	determine when a non-	determine when a non-
	availability payment is due;	availability payment is due;
420.	(e) terms of the operation of	(e) terms of the operation of
	the registry as referred to in	the registry as referred to in
	point (a) of paragraph 9;	point (a) of paragraph 9;
421.	(f) common rules to identify	(f) common rules to identify
	capacity eligible to participate as	capacity eligible to participate as
	referred to in point (a) of	referred to in point (a) of
	paragraph 9.	paragraph 9.
422.	The proposal shall be subject to	The proposal shall be subject to
	prior consultation and approval	prior consultation and approval
	by the Agency under the	by the Agency under the
	procedure set out in Article 22.	procedure set out in Article 22.
423.	11. The Agency shall verify	11. The [] national
	whether the capacities have been	regulatory authorities
	calculated in line with the	concerned shall verify whether
	methodology as referred to in	the capacities have been
	point (a) of paragraph 10.	calculated in line with the
		methodology as referred to in
		point (a) of paragraph 10.
424.	12. National regulatory	12. [] Regulatory authorities
	authorities shall ensure that	shall ensure that cross-border
	cross-border participation in	participation in capacity
	capacity mechanisms is	mechanisms is organised in an
	organised in an effective and	effective and non-discriminatory
	non-discriminatory manner.	manner. They shall in particular
	They shall in particular provide	provide for adequate
	for adequate administrative	administrative arrangements for
	arrangements for the	the enforcement of non-
	enforcement of non-availability	availability payments across
	payments across borders.	borders.

425.	13. Allocated capacities as	13. Allocated capacities as
	referred to in paragraph 7 shall	referred to in paragraph 7 shall
	be transferable between eligible	be transferable between eligible
	capacity providers. Eligible	capacity providers. Eligible
	capacity providers shall notify	capacity providers shall notify
	any transfer to the registry as	any transfer to the registry as
	referred to in point (a) of	referred to in point (a) of
	paragraph 9.	paragraph 9.
426.	14. No later than [OP: two	14. No later than [OP: two
	years after the entry into force of	years after the entry into force of
	this Regulation] the ENTSO for	this Regulation] the ENTSO for
	Electricity shall set up and	Electricity shall set up and
	operate the registry as referred	operate the registry as referred to
	to in point (a) of paragraph 9.	in point (a) of paragraph 9. The
	The registry shall be open to all	registry shall be open to all
	eligible capacity providers, the	eligible capacity providers, the
	systems applying the	systems applying the
	mechanisms and their	mechanisms and their
	transmission system operators.	transmission system operators.

<i>427</i> .		Article 22			
		Approval procedure			
428.	1. Where reference is made	1. Where reference is made			
	to this Article, the procedure set	to this Article, the procedure set			
	out in paragraphs 2 to 4 shall be	out in paragraphs 2 to 4 shall be			
	applicable to the approval of a	applicable to the approval of a			
	proposal submitted by the	proposal submitted by the			
	ENTSO for Electricity.	ENTSO for Electricity.			
429.	2. Prior to submitting the	2. Prior to submitting the			
	proposal, the ENTSO for	proposal, the ENTSO for			
	Electricity shall conduct a	Electricity shall conduct a			
	consultation process involving	consultation process involving			
	all relevant stakeholders,	all relevant stakeholders, []			
	national regulatory authorities	regulatory authorities and other			
	and other national authorities.	national authorities and shall			
		take the results of a			
		consultation process duly into			
		consideration.			
430.	3. Within three months from	3. Within three months from			
	the date of receipt, the Agency	the date of receipt, the Agency			
	shall either approve the proposal	shall either approve the proposal			
	or amend it. In the latter case,	or amend it. In the latter case,			
	the Agency shall consult the	the Agency shall consult the			
	ENTSO for Electricity before	ENTSO for Electricity before			
	adopting the amended proposal.	adopting the amended proposal.			
	The adopted proposal shall be	The adopted proposal shall be			
	published on the Agency's	published on the Agency's			
	website at the latest three	website at the latest three			
	months after the date of receipt	months after the date of receipt			
	of the proposed documents.	of the proposed documents.			

431.	4. The Agency may request changes to the approved proposal at any time. Within six months from the request, the ENTSO for Electricity shall submit to the Agency a draft of the proposed changes. Within a period of three months from the date of receipt of the draft, the Agency shall amend or approve the changes and publish it on its		4. The Agency may request changes to the approved proposal at any time. Within six months from the request, the ENTSO for Electricity shall submit to the Agency a draft of the proposed changes. Within a period of three months from the date of receipt of the draft, the Agency shall amend or approve the changes and publish it on its	
	website.		website.	
432.			Article 23	
		Design princip	les for capacity mechanisms	
433.	1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may introduce capacity mechanisms, subject to the provisions of this Article and to the Union State aid rules.	AM 112 1. Any capacity mechanism shall:	1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may introduce capacity mechanisms, subject to the provisions of this Article and [] without prejudice to the Union State aid rules pursuant to Articles 107 to 109 TFEU.	
434.		(a) not create undue market distortions and not limit cross-border trade;		
435.		(b) not go beyond what is necessary to address the adequacy concern;		
436.		(c) select capacity providers by means of a transparent, non-discriminatory and market-based process;		
437.		(d) be technology neutral;		

438.		(e) provide incentives for capacity providers to be available in times of expected system stress;		
439.		(f) ensure that the remuneration is determined through a market-based process;		
440.		(g) set out the required technical conditions for the participation of capacity providers in advance of the selection process;		
441.		(h) be open to participation of all resources, including storage and demand side management that are capable of providing the required technical performance;		
442.		(i) apply appropriate penalties to capacity providers when not available in the event of system stress;		
443.		(j) ensure that capacity contracts for existing installations are rewarded for a maximum length of 1 year.		
444.	2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism at least with its electrically connected neighbouring Member States.	AM 113 2. Capacity mechanisms in the form of strategic reserves shall:	2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism at least with its directly electrically connected neighbouring Member States based on a comprehensive study on the possible effects on those Member States.	

445.	(a) be held outside the market;		
446.	(b) be dispatched only where day-		
	ahead and intraday markets have		
	failed to clear and transmission		
	system operators have exhausted		
	their balancing resources to		
	establish an equilibrium between		
	demand and supply;		
447.	(c) ensure that during periods		
	where strategic reserves were		
	dispatched, imbalances are settled		
	at the technical price limit applied		
	by the market operators pursuant		
	to Article 9 or at the value of lost		
	load, whichever the higher.		
448.	(d) be limited to maximum		
	emissions of 200kg/CO2/kW for		
	the electricity production per year		
	The electricity generated, or the		
	load reduction achieved by		
	resources in the strategic reserve shall not be sold through wholesale		
	electricity markets.		
449.	eccurety markets.	2a. When a capacity	
		mechanism is designed as a	
		strategic reserve, resources in	
		the strategic reserve shall only	
		be dispatched in case	
		transmission system operators	
		are likely to exhaust their	
		balancing resources to	
		establish an equilibrium	
		between demand and supply.	
		This requirement is without	
		prejudice to activating	
		resources ahead of actual	

450.	shall not create unnecessary market distortions and not limit cross-border trade. The amount of capacity committed in the mechanism shall not go beyond what is necessary to address the	AM 114 3. In addition to the requirements laid down in paragraph 1, capacity mechanisms other than strategic reserves shall:	dispatch in order to respect their ramping constraints and operating requirements. During periods where resources in the strategic reserve were dispatched imbalances in the market shall be settled at least at the bidding limit pursuant to Article 9. The resources taking part in the strategic reserve shall not get remunerated through wholesale electricity markets or balancing markets. 3. Capacity mechanisms shall:	
451.	concern.	(a) be constructed so as to ensure that the price paid for availability automatically tends to zero when the level of capacity supplied is expected to be adequate to meet the level of capacity demanded;		
452.		(b) remunerate the participating resources merely for their availability and ensure that the remuneration does not affect decisions of the capacity provider whether or not to generate;		

453.		(c) ensure that capacity obligations are transferable between eligible capacity providers.		
454.			(a) not create unnecessary market distortions and not limit cross [] zonal trade;	
455.			(b) be market-based;	
456.			(c) be open to participation of all resources that are capable of providing the required technical performance in a technology neutral manner and through fair and transparent rules, including but not limited to participation of storage, energy efficiency and demand	
457.			response; (d) be temporary, but are permitted, in accordance with state aid rules, as long as the relevant resource adequacy assessment identifies a resource adequacy concern;	
458.			(e) [] not go beyond what is necessary to address the resource adequacy concern.	
459.	4. Generation capacity for which a final investment decision has been made after [OP: entry into force] shall only be eligible to participate in a capacity mechanism if its emissions are below 550 gr	AM 115 deleted	4. In the design of a capacity mechanism, Member States shall apply the following requirements regarding CO2 emission limits:	

	CO2/kWh. Generation capacity emitting 550 gr CO2/kWh or more shall not be committed in capacity mechanisms 5 years after the entry into force of this	
460.	Regulation.	(a) Generation capacity emitting more than 550 gr CO2/kWh of energy or more than 700 kg CO2 on average per year per installed kW for which a final investment decision has been made after [OP: date of entry into force] shall not receive payments or commitments for future payments under a capacity
461.		mechanism as of 31 December 2025. (b) Generation capacity
401.		emitting more than 550 gr CO2/kWh of energy or more than 700 kg CO2 on average per year per installed kW for which a final investment decision has been made before [OP: date of entry into force] shall not receive payments or commitments for future payments under a capacity mechanism as of 31 December 2030, except for contracts with a remaining duration of not more than 5 years concluded before 31 December 2030.

			Between 31 December 2025	
			and 31 December 2030, the	
			capacity receiving	
			remuneration for this	
			participation should be	
			reduced by 5% per year.	
462.			(c) The emission limit of 550	
			gr CO2/kWh of energy and the	
			limit of 700 kg CO2 on	
			average per year per installed	
			kW shall be calculated based	
			on the design efficiency of the	
			generation unit as provided by	
			an accredited certification	
			organisation.	
463.	5. Where the European	AM 116		
	resource adequacy assessment			
	has not identified a resource	deleted		
	adequacy concern, Member			
	States shall not apply capacity			
	mechanisms.			

464.			5a. When designing capacity	
404.			mechanisms, Member States	
			7	
			shall include a provision	
			allowing for efficient phase-out	
			of a capacity mechanism	
			within 4 years in case the	
			resource adequacy concern is	
			no longer present. This phase-	
			out can be an administrative	
			cessation of the mechanism,	
			with a reasonable advance	
			notice, or provisions in the	
			design of the mechanism	
			which would lead to the	
			suspension of associated	
			economic incentives when	
			there is no adequacy concern.	
<i>465</i> .			Article 24	
		Exis	ting mechanisms	
466.	Member States applying	AM 117	1. Member States applying	
	capacity mechanisms on [OP:	Member States applying capacity	capacity mechanisms on [OP:	
	entry into force of this	mechanisms on [OP: entry into	entry into force of this	
	Regulation] shall adapt their	force of this Regulation] shall adapt	Regulation] shall adapt their	
	mechanisms to comply with	their mechanisms to comply with	mechanisms to comply with	
	Articles 18, 21 and 23 of this	Articles 18, <i>18a</i> , 21 and 23 of this	Articles 18, 21 and 23 of this	
	Regulation.	Regulation.	Regulation without prejudice	
	Regulation.	Regulation.	Regulation without prejudice to commitments or contracts,	
	Regulation.	Regulation.		
	Regulation.	Regulation.	to commitments or contracts,	
	Regulation.	Regulation.	to commitments or contracts, concluded before that date,	
	Regulation.	Regulation.	to commitments or contracts, concluded before that date, and without prejudice to the	
	Regulation.	Regulation.	to commitments or contracts, concluded before that date, and without prejudice to the Union State aid rules pursuant	
	Regulation.	Regulation.	to commitments or contracts, concluded before that date, and without prejudice to the Union State aid rules pursuant to Articles 107 to 109 TFEU,	

467.		Chapter V Transmission system operation					
468.		Article 25 European network of transmission system operators for electricity					
470.	operators shall cooperate at Union level through the ENTSO for Electricity, in order to promote the completion and functioning of the internal market in electricity and cross- border trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.	1. Transmission system operators shall cooperate at Union level through the ENTSO for Electricity, in order to promote the completion and functioning of the internal market in electricity and cross [zonal trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network. 2. In performing its functions under EU law, the ENTSO for Electricity shall [contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources and to increases in energy efficiency while maintaining system security. Maintain Council GA Maintain Council GA Maintain Council GA Accept modified GA 2. In performing its functions under EU law, the ENTSO for Electricity shall act in the interest of a well functioning and integrated Internal Electricity market and shall. 1 contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources and to increases in energy efficiency while maintaining system security. The ENTSO for Electricity shall have adequate human and financial resources to carry out its duties.					

471.		Article 26 Establishment of the ENTSO for Electricity					
472.	1 The transmission system						
4/2.	,	1. The transmission system operators for electricity shall	No change				
	operators for electricity shall						
	submit to the Commission and	submit to the Commission and to					
	to the Agency the draft statutes,	the Agency the draft statutes, a					
	a list of members and draft rules	list of members and draft rules					
	of procedure, including the rules	of procedure, including the rules					
	of procedures on the	of procedures on the					
	consultation of other	consultation of other					
	stakeholders, of the ENTSO for	stakeholders, of the ENTSO for					
	Electricity to be established.	Electricity to be established.					
473.	2. Within two months of the	2. Within two months of the	No change				
	day of the receipt, the Agency,	day of the receipt, the Agency,					
	after formally consulting the	after formally consulting the					
	organisations representing all	organisations representing all					
	stakeholders, in particular the	stakeholders, in particular the					
	system users, including	system users, including					
	customers, shall provide an	customers, shall provide an					
	opinion to the Commission on	opinion to the Commission on					
	the draft statutes, list of	the draft statutes, list of					
	members and draft rules of	members and draft rules of					
	procedure.	procedure.					

474.	3. The Commission shall	3. The Commission shall	No change
17 14	deliver an opinion on the draft	deliver an opinion on the draft	The change
	statutes, list of members and	statutes, list of members and	
	draft rules of procedures taking	draft rules of procedures taking	
	into account the opinion of the	into account the opinion of the	
	Agency provided for in	Agency provided for in	
	paragraph 2 and within three	paragraph 2 and within three	
	months of the day of the receipt	months of the day of the receipt	
	of the opinion of the Agency.	of the opinion of the Agency.	
475.	4. Within three months of	4. Within three months of	No change
	the day of receipt of the	the day of receipt of the	
	Commission's favourable	Commission's favourable	
	opinion, the transmission system	opinion, the transmission system	
	operators shall establish the	operators shall establish the	
	ENTSO for Electricity and	ENTSO for Electricity and adopt	
	adopt and publish its statutes	and publish its statutes and rules	
	and rules of procedure.	of procedure.	
476.	5. The documents referred to	5. The documents referred to	No change
	in paragraph 1 shall be	in paragraph 1 shall be	
	submitted to the Commission	submitted to the Commission	
	and to the Agency in case of	and to the Agency in case of	
	changes thereof or upon	changes thereof or upon	
	reasoned request of the	reasoned request of the	
	Commission or of the Agency.	Commission or of the Agency.	
	The Agency and the	The Agency and the	
	Commission shall deliver an	Commission shall deliver an	
	opinion in accordance with	opinion in accordance with	
	paragraphs 2 to 4.	paragraphs 2 to 4.	

<i>477</i> .	Article 27				
	Tasks of the ENTSO for Electricity				
478.	1. The ENTSO for Electricity		1. The ENTSO for	No change	
	shall:		Electricity shall:		
479.	(a) elaborate network codes		(a) elaborate network codes	No change	
	in the areas set out in Article		in the areas set out in Article		
	55(1) with a view to achieving		55(1) with a view to achieving		
	the objectives set out in Article		the objectives set out in Article		
	25.		25		
480.	(b) adopt and publish a non-		(b) adopt and publish a non-	No change	
	binding Union-wide ten-year		binding Union-wide ten-year		
	network development plan,		network development plan,		
	(Union-wide network		(Union-wide network		
	development plan), every two		development plan), every two		
	years;		years;		
481.	(c) prepare and adopt	AM 118	(c) prepare and adopt	Accept modified GA	
	proposals related to the	(c) prepare and adopt proposals	proposals related to the	c) prepare and adopt proposals related to the	
	European resource adequacy	related to the European resource	European resource adequacy	European resource adequacy assessment	
	assessment pursuant to Article	adequacy assessment pursuant to	assessment pursuant to Article	pursuant to Article 19 [] and for the technical	
	19(2), (3) and (5) and for the	Article 19(1a) and for the technical	19(2), (3) and (5) and for the	specifications for cross-border participation in	
	technical specifications for	specifications for cross-border	technical specifications for	capacity mechanisms pursuant to Article	
	cross-border participation in	participation in capacity	cross-border participation in	21(10);	
	capacity mechanisms pursuant	mechanisms pursuant to Article	capacity mechanisms pursuant to		
	to Article 21(10);	21(10);	Article 21(10);		
482.	(d) adopt recommendations		(d) adopt recommendations	No change	
	relating to the coordination of		relating to the coordination of		
	technical cooperation between		technical cooperation between		
	Union and third-country		Union and third-country		
	transmission system operators;		transmission system operators;		
483.	(e) adopt a framework for the		(e) adopt a framework for the	Maintain Council GA	
	cooperation and coordination		cooperation and coordination		
	between regional operational		between [] regional security		
	centres;		coordinators;		
484.	(f) adopt a proposal defining		(f) adopt a proposal defining	Maintain Council GA	
	the system operation region		the system operation region []		

	covered by each regional	in accordance with the	
485.	operational centre;	provisions of Article 33;	Maintain Council GA
485.		(fa) cooperate with	Maintain Council GA
		distribution system operators and the EU DSO entity.	
486.		(fb) promote the	Accept modified GA
400.		digitalisation of transmission	(fb) promote the digitalisation of
		networks including	transmission networks including deployment
		deployment of smart grids and	of smart grids, efficient real time data
		intelligent metering systems;	acquisition and intelligent metering systems;
		meenigent metering systems,	acquisition and intenigent intering systems,
487.	(g) adopt common network	(g) adopt common network	No change
	operation tools to ensure	operation tools to ensure	
	coordination of network	coordination of network	
	operation in normal and	operation in normal and	
	emergency conditions, including	emergency conditions, including	
	a common incident classification	a common incident classification	
	scale, and research plans,	scale, and research plans,	
	including the deployment of	including the deployment of	
	these plans through an efficient	these plans through an efficient	
	research programme. These	research programme. These	
	tools shall specify inter alia:	tools shall specify inter alia:	
488.	,	(i) the information, including	No change
	appropriate day ahead, intra-day	appropriate day ahead, intra-day	
	and real-time information,	and real-time information, useful	
	useful for improving operational	for improving operational	
	coordination, as well as the	coordination, as well as the	
	optimal frequency for the	optimal frequency for the	
	collection and sharing of such	collection and sharing of such	
	information;	information;	
489.	\mathcal{E}	(ii) the technological platform	No change
	for the exchange of information	for the exchange of information	
	in real time and where	in real time and where	
	appropriate, the technological	appropriate, the technological	
	platforms for the collection,	platforms for the collection,	
	processing and transmission of	processing and transmission of	

the other information referred to		the other information referred to	
in point (i), as well as for the		in point (i), as well as for the	
implementation of the		implementation of the	
procedures capable of increasing		procedures capable of increasing	
operational coordination		operational coordination	
between transmission system		between transmission system	
operators with a view to such		operators with a view to such	
coordination becoming Union-		coordination becoming Union-	
wide;		wide;	
(iii) how transmission system		(iii) how transmission system	No change
operators make available the		operators make available the	
operational information to other		operational information to other	
transmission system operators or		transmission system operators or	
any entity duly mandated to		any entity duly mandated to	
support them to achieve		support them to achieve	
operational coordination, and to		operational coordination, and to	
the Agency; and		the Agency; and	
(iv) that transmission system			No change
operators designate a contact		operators designate a contact	
		point in charge of answering	
inquiries from other		inquiries from other	
transmission system operators or		transmission system operators or	
from any entity duly mandated			
as referred to in point (iii), or		as referred to in point (iii), or	
from the Agency concerning		from the Agency concerning	
		such information.	
(h) adopt an annual work		(h) adopt an annual work	No change
programme;		programme;	
	in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Unionwide; (iii) how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and (iv) that transmission system operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information. (h) adopt an annual work	in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Union-wide; (iii) how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and (iv) that transmission system operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information. (h) adopt an annual work	in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Union-wide; (iii) how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and (iv) that transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information. (h) adopt an annual work in point (i), as well as for the implementation of the procedures capable of increasing operational coordination becoming Union-wide; (iii) how transmission system operators or any entity duly mandated to support them to achieve operational information to other transmission system operators or system operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information.

493.		AM 119 Article 27 – paragraph 1 – point h a (new) (h a) standardise, in cooperation with the EU DSO entity, relevant		Propose an alternative EP amendment h a (new) (h a) contribute to the establishment of interoperability requirements and non- discriminatory and transparent procedures for
		data formats and protocols to		accessing data as provided for in Article 24 of
		facilitate cross-border exchange of data;		the [Electricity Directive]
494.	(i) adopt an annual report;	uuu,	(i) adopt an annual report;	No change
495.	(j) carry out and adopt seasonal adequacy outlooks pursuant to Article 9(2) [Regulation on risk preparedness as proposed by COM(2016) 862].		(j) carry out and adopt seasonal adequacy outlooks pursuant to Article 9(2) [Regulation on risk preparedness as proposed by COM(2016) 862].	No change
496.		AM 120 Article 27 – paragraph 1 – point j a (new) (j a) promote digitalisation of transmission systems to ensure, inter alia, efficient real time data acquisition and use and smart substations;		Reject (partially included in (fb) line 486.)
497.		AM 121 Article 27 – paragraph 1 – point j b (new) (j b) promote data management, cyber security and data protection in cooperation with relevant authorities and regulated entities;		Accept modified EP amendment (j b) promote data management, cyber security and data protection in cooperation with relevant authorities and regulated entities;
498.		AM 122 Article 27 – paragraph 1 – point j c (new) (j c) develop demand response in cooperation with DSOs.		Accept modified EP amendment (j c) develop take into account the development of demand response in fulfilling its tasks;

499.	2. The ENTSO for	AM 123	2. The ENTSO for	Maintain Council GA
	Electricity shall report to the	2. The ENTSO for Electricity	Electricity shall report to the	
	Agency on shortcomings	shall report to the Agency on	Agency on shortcomings	
	identified regarding the	shortcomings identified regarding	identified regarding the	
	establishment and performance	the establishment and performance	establishment and performance	
	of regional operational centres.	of regional <i>coordination</i> centres.	of [] Regional Security	
			Coordinators.	
500.	3. The ENTSO for		3. The ENTSO for	No change
	Electricity shall publish the		Electricity shall publish the	
	minutes of its Assembly, Board		minutes of its Assembly, Board	
	and Committees meetings and		and Committees meetings and	
	provide the public with regular		provide the public with regular	
	information on its decision-		information on its decision-	
	making and activities.		making and activities.	
501.	4. The annual work		4. The annual work	No change
	programme referred to in (h) of		programme referred to in (h) of	
	paragraph 1 shall contain a list		paragraph 1 shall contain a list	
	and description of the network		and description of the network	
	codes to be prepared, a plan on		codes to be prepared, a plan on	
	coordination of operation of the		coordination of operation of the	
	network, and research and		network, and research and	
	development activities, to be		development activities, to be	
	realised in that year, and an		realised in that year, and an	
	indicative calendar.		indicative calendar.	

502.	5. The ENTSO for	5	The ENTSO for	No change
	Electricity shall make available	E	Electricity shall make available	
	all information required by the		ll information required by the	
	Agency to fulfil its tasks under	A	Agency to fulfil its tasks under	
	Article 29(1). Transmission	A	Article 29(1). Transmission	
	system operators shall make	S	ystem operators shall make	
	available all information	a	vailable all information	
	required for the ENTSO for	re	equired for the ENTSO for	
	Electricity to fulfil its task under	E	Electricity to fulfil its task under	
	sentence 1.	Se	entence 1.	
503.	6. Upon request of the	6	Upon request of the	No change
	Commission, the ENTSO for	C	Commission, the ENTSO for	
	Electricity shall give its views to	E	Electricity shall give its views to	
	the Commission on the adoption	th	he Commission on the adoption	
	of the guidelines as laid down in	О	of the guidelines as laid down in	
	Article 57.	A	Article 57.	

505. 1.

While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

AM 124

While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and structured in a way to enable accommodating stakeholder comments before final adoption and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers and their representatives, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

Accept modified EP amendment

While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and structured in a way to enable accommodating stakeholder comments before final adoption and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers and their representatives, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decisionmaking process.

506.	2. All documents and	2. All do	cuments and	No change
	minutes of meetings related to	minutes of m	neetings related to	
	the consultations referred to in	the consultations referred to in		
	paragraph 1 shall be made	paragraph 1 s	shall be made	
	public.	public.		
507.	3. Before adopting the	3. Before	e adopting the	No change
	proposals pursuant to Article		rsuant to Article	-
	27(1) the ENTSO for Electricity	27(1) the EN	TSO for Electricity	
	shall indicate how the	shall indicate	e how the	
	observations received during the	observations	received during the	
	consultation have been taken	consultation	have been taken	
	into consideration. It shall	into consider	ation. It shall	
	provide reasons where	provide reason	ons where	
	observations have not been	observations	have not been	
	taken into account.	taken into ac	count.	
<i>508</i> .		Article 29		
		Monitoring by the Ag	gency	
509.	1. The Agency shall monitor	1. The A	gency shall monitor	No change
	the execution of the tasks	the execution	of the tasks	-
	referred to in Article 27(1), (2)	referred to in	Article 27(1), (2)	
	and (3) of the ENTSO for		e ENTSO for	
	Electricity and report to the		nd report to the	
	Commission.	Commission	•	

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	regarding the consultation	regarding the consultation	
	process, and the other	process, and the other	
	documents referred to in Article	documents referred to in Article	
	27(1) to the Agency for its	27(1) to the Agency for its	
	opinion.	opinion.	
513.	Within two months from the day	Within two months from the day	No change
	of receipt, the Agency shall	of receipt, the Agency shall	
	provide a duly reasoned opinion	provide a duly reasoned opinion	
	as well as recommendations to	as well as recommendations to	
	the ENTSO for Electricity and	the ENTSO for Electricity and to	
	to the Commission where it	the Commission where it	
	considers that the draft annual	considers that the draft annual	
	work programme or the draft	work programme or the draft	
	Union-wide network	Union-wide network	
	development plan submitted by	development plan submitted by	
	the ENTSO for Electricity do	the ENTSO for Electricity do	
	not contribute to non-	not contribute to non-	
	discrimination, effective	discrimination, effective	
	competition, the efficient	competition, the efficient	
	functioning of the market or a	functioning of the market or a	
	sufficient level of cross-border	sufficient level of cross-border	
	interconnection open to third-	interconnection open to third-	
	party access.	party access.	

514.	Article 30 Costs			
515.	The costs related to the activities of the ENTSO for Electricity referred to in Articles 25 to 29 and 54 to 57 of this Regulation, and in Article 11 of Regulation (EU) No 347/2013 shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.	The costs related to the activities of the ENTSO for Electricity referred to in Articles 25 to 29 and 54 to 57 of this Regulation, and in Article 11 of Regulation (EU) No 347/2013 shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.	G The state of the	

<i>516</i> .		Article 31				
		Regional cooperation of transmission system operators				
517.	1. Transmission system	1. Transmission system No change				
	operators shall establish regional	operators shall establish regional				
	cooperation within the ENTSO	cooperation within the ENTSO				
	for Electricity to contribute to	for Electricity to contribute to				
	the activities referred to in	the activities referred to in				
	Article 27(1), (2) and (3). In	Article 27(1), (2) and (3). In				
	particular, they shall publish a	particular, they shall publish a				
	regional investment plan every	regional investment plan every				
	two years, and may take	two years, and may take				
	investment decisions based on	investment decisions based on				
	that regional investment plan.	that regional investment plan.				
	The ENTSO for Electricity shall	The ENTSO for Electricity shall				
	promote cooperation between	promote cooperation between				
	transmission system operators at	transmission system operators at				
	regional level ensuring	regional level ensuring				
	interoperability, communication	interoperability, communication				
	and monitoring of regional	and monitoring of regional				
	performance in those areas	performance in those areas				
	which are not yet harmonised at	which are not yet harmonised at				
	Union level.	Union level.				

518.	2. Transmission system		2. Transmission system	No change
310.	operators shall promote		operators shall promote	ivo change
	operational arrangements in		operational arrangements in	
	order to ensure the optimum		order to ensure the optimum	
	management of the network and		management of the network and	
	shall promote the development		shall promote the development	
	of energy exchanges, the coordinated allocation of cross-		of energy exchanges, the coordinated allocation of cross-	
	border capacity through non-		border capacity through non-	
	discriminatory market-based		discriminatory market-based	
	solutions, paying due attention		solutions, paying due attention	
	to the specific merits of implicit		to the specific merits of implicit	
	auctions for short-term		auctions for short-term	
	allocations, and the integration		allocations, and the integration	
	of balancing and reserve power		of balancing and reserve power	
	mechanisms.		mechanisms.	
519.	3. For the purposes of	AM 125	3. For the purposes of	Maintain Council GA
	achieving the goals set in	3. For the purposes of achieving	achieving the goals set in	
	paragraphs 1 and 2 of this	the goals set in paragraphs 1 and 2	paragraphs 1 and 2 of this	
	Article, the geographical area	of this Article, the geographical	Article, the geographical area	
	covered by each regional	area covered by each regional	covered by each regional	
	cooperation structure may be	cooperation structure may be	cooperation structure may be	
	defined by the Commission,	defined by the Commission, taking	defined by the Commission,	
	taking into account existing	into account existing regional	taking into account existing	
	regional cooperation structures.	cooperation structures. Each	regional cooperation structures.	
	Each Member State shall be	Member State shall be allowed to	Each Member State shall be	
	allowed to promote cooperation	promote cooperation in more than	allowed to promote cooperation	
	in more than one geographical	one geographical area. The	in more than one geographical	
	area. The Commission is	Commission is empowered to adopt	area. The Commission is	
	empowered to adopt delegated	delegated acts in accordance with	empowered to adopt []	
	acts in accordance with Article	Article 63 concerning the	implementing acts in	
	63 concerning the geographical	geographical area covered by each	accordance with Article []	
	area covered by each regional	regional cooperation structure. For	62(2) concerning the	
	cooperation structure. For that	that purpose, the Commission shall	geographical area covered by	
	purpose, the Commission shall	consult the regulatory authorities,	each regional cooperation	
	consult the Agency and the	the Agency and the ENTSO for	structure. The decisions and	

	ENTSO for Electricity.	Electricity.	empowerment referred to in this paragraph are without prejudice to Article 33 and shall be subject to consultations. For that purpose, the Commission shall consult the Agency and the ENTSO for Electricity.	
<i>520</i> .	Article 32 Establishment and mission of regional operational centres		Article 32 Establishment and mission of [] Regional Security Coordinators	Maintain Council GA
521.	1. By [OP: twelve months after entry into force], all transmission system operators shall establish regional operational centres in accordance with the criteria set out in this chapter. Regional operational centres shall be established in the territory of one of the Member States of the region where it will operate.	AM 126 1. By [OP: twelve months after entry into force], regional coordination centres shall in addition to other tasks that are laid out in Article 34 of this Regulation, replace and cover the functions of regional security coordinators established in accordance with the Regulation[the Commission Regulation establishing a guideline on Electricity Transmission System Operation] pursuant to the criteria set out in this chapter.	1. By [OP: twelve months after entry into force], all transmission system operators of a [] system operation region shall submit a proposal for the enhancement of Regional Security Coordinators established pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009 for approval by the respective regulatory authorities.	Maintain Council GA

522.	If a region is not covered by an existing or a planned regional security coordinator, the transmission system operators of that region shall establish a		Reject
	regional coordination centre.		
523.	All transmission system operators shall <i>adhere to a single</i> regional <i>coordination centre.</i>		Reject
524.	All transmission system operators of a system operation region shall submit to the regulatory authorities of the system operation region for a review a proposal for the establishment of regional coordination centres in accordance with the criteria set out in this chapter.		Reject
525.	The regulatory authorities of the system operation region shall review and approve the proposal in compliance with the procedures established pursuant to Article 8 of Regulation (EU) [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863]		Reject
526.	The proposals referred to the forth subparagraph shall include the following information:	The proposal shall contain the following elements:	Maintain Council GA

527.	(a) Member State where the regional coordination centre are to be located;	a) the participating Member States and TSOs;	a) the participating Member State where the seat of the [Regional Security Coordinator] will be located and the participating TSOs;
528.	(b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;	b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;	Accept (identical texts)
529.	(c) an implementation plan for the entry into operation of the regional coordination centres;	c) an implementation plan for the entry into operation of the Regional Security Coordinators;	Maintain Council GA
530.	(d) the statutes and rules of procedure of regional coordination centres;	d) the statutes and rules of procedure of Regional Security Coordinators;	Maintain Council GA
531.	(e) a description of cooperative processes in accordance with Article 35;	e) a description of cooperative processes in accordance with Article 35;	Accept (identical texts)
532.	(f) a description of the arrangements concerning the liability of regional coordination centres in accordance with Article 44.	f) a description of the arrangements concerning the liability of Regional Security Coordinators in accordance with Article 44.	Maintain Council GA

533.	2. Regional operational centres shall be organised in a		2. [] Regional Security Coordinators shall be	Maintain Council GA
	legal form as referred to in		established in the system	
	Article 1 of Directive		operation region where it will	
	2009/101/EC of the European		carry out its tasks and shall be	
	Parliament and of the Council. ²¹		organised in a legal form as	
			referred to in [] Annex II of	
			Directive [] (EU) 2017/1132	
			of the European Parliament and	
			of the Council ²² .	
534.		AM 127		Reject
		Article 32 – paragraph 1 a (new)		
		1 a. Regional coordination		
		centres shall enter into operation		
		by [OP: twelve months after entry		
		into force of this Regulation].		10.1.06
535.		AM 128		Accept modified AM
		Article 32 – paragraph 2 a (new)		2 a. In performing its [] tasks under Union
		2 a. In performing its functions		law, the Regional Security Coordinators []
		under Union law, the regional		shall act independently from individual
		coordination centres shall act		national interests and from the interests of
		independently from individual		transmission system operators.
		national interests and from the		
		interests of transmission system		
		operators.		

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Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent (OJ L 258, 1.10.2009, p. 11).

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).

536.	3. Regional operational	AM 129	3. [] Transmission system	Maintain Council GA
	centres shall complement the	3. Regional <i>coordination</i>	operators shall be responsible	
	role of transmission system	centres shall complement the role	for managing electricity flows	
	operators by performing	of transmission system operators by	and ensure a secure, reliable	
	functions of regional relevance.	performing functions of regional	and efficient electricity system	
	They shall establish operational	relevance. <i>The</i> transmission system	in accordance with Article 40	
	arrangements in order to ensure	operators shall be responsible for	of the [recast of Directive	
	the efficient, secure and reliable	managing electricity flows and	2009/72/EC as proposed by	
	operation of the interconnected	ensuring a secure, reliable and	COM(2016) 864/2] and with	
	transmission system.	efficient electricity system in	national legislation. Regional	
		accordance with Article 40 of the	Security Coordinators shall	
		Directive (EU) [recast of Directive	complement the role of	
		2009/72/EC as proposed by	transmission system operators	
		COM(2016) 864/2].	by performing [] tasks of	
			regional relevance [] assigned	
			to them in accordance with	
			Article 34.	
537.			4a. Regional Security	Maintain Council GA
			Coordinators shall take up	
			their new tasks set out in	
			Article 34(1) by 1 January	
			2025. All Member States of the	
			same system operation region,	
			can jointly decide on earlier	
			operation of the respective	
			Regional Security Coordinator	
			[+].	

538.	Article 33 Geographical scope of regional operational centres	AM 130 Article 33 – title Geographical scope of regional coordination centres	Article 33 Geographical scope of [] Regional Security Coordinators	Maintain Council GA
539.			0a. For the purpose of this Regulation, the geographical areas covered by each of the transmission system operators sharing the same regional security coordinators established pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009 shall be referred to as system operation regions.	Maintain Council GA
540.			Ob. Regional security coordinators may encompass larger or smaller geographical areas than those existing pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009. In such instance, the respective transmission system operators shall submit a proposal to the Agency defining the system operation regions covered by the Regional security coordinator.	Maintain Council GA

541.	1. By [OP: six months after	AM 131	1. By [OP: six months after	Maintain Council GA
	entry into force of this	1. By [OP: six months after	entry into force of this	
	Regulation] the ENTSO for	entry into force of this Regulation]	Regulation] the ENTSO for	
	Electricity shall submit to the	the ENTSO for Electricity shall	Electricity shall submit to the	
	Agency a proposal defining	submit to the Agency a proposal	Agency a proposal []	
	system operation regions	defining system operation regions	specifying which transmission	
	covered by regional operational	covered by regional <i>coordination</i>	system operators, bidding	
	centres, taking into account	centres, taking into account existing	zones, bidding zone borders,	
	existing regional security	regional security coordinators, on	capacity calculation regions	
	coordinators, on the basis of the	the basis of the following criteria:	and outage coordination	
	following criteria:		regions are covered by each of	
			the system operation regions.	
542.			1a. Where a Member State	Maintain Council GA
			is part of multiple different	
			synchronous areas, the	
			transmission system operator	
			may be coordinated by two	
			regional security coordinators.	
			For the bidding zone borders	
			adjacent to system operation	
			regions, the proposal in	
			paragraph 1 shall specify how	
			the coordination between	
			regional security coordinators	
			for these borders is to take	
			place.	
543.			1b. Each of the Regional	Maintain Council GA
			Security Coordinators shall	
			perform the tasks listed in	
			Article 34(1) for the	
			transmission system operators	
			of the system operation region	
			where it is established.	

544.	(a) The grid topology,	[]	Maintain Council GA
	including the degree of		
	interconnection and of		
	interdependency of the power		
	systems in terms of flows;		
545.	(b) the synchronous	[]	Maintain Council GA
	connection of the systems;		
546.	(c) the size of the region,	[]	Maintain Council GA
	which shall cover at least one		
	capacity calculation region;		
547.	(d) the geographical		Maintain Council GA
	optimization of balancing		
	reserves.		
548.	2. Within three months of	2. Within three months of	Maintain Council GA
	receipt, the Agency shall either	receipt of the proposal in	
	approve the proposal defining	paragraph 1, the Agency shall	
	the system operation regions or	either approve the proposal	
	propose amendments. In the	defining the system operation	
	latter case, the Agency shall	regions or propose amendments.	
	consult the ENTSO for	In the latter case, the Agency	
	Electricity before adopting the	shall consult the ENTSO for	
	amendments. The adopted	Electricity before adopting the	
	proposal shall be published on	amendments. The adopted	
	the Agency's website.	proposal shall be published on	
		the Agency's website.	

<i>549</i> .	Article 34	AM 132	Article 34	Maintain Council GA
	Tasks of regional operational	Article 34 – title	Tasks of [] Regional Security	
	centres	Tasks of regional <i>coordination</i>	Coordinators	
		centres		
550.	1. Each regional operational	AM 133	1. Each Regional []	Maintain Council GA
	centre shall perform all the	1. Each regional <i>coordination</i>	security coordinator shall	
	following functions in the	centre shall perform all the	perform [] the following []	
	system operation region where it	following functions in the system	tasks of regional relevance for	
	is established and regional	operation region where it is	transmission system operators	
	operational centres shall perform	established and regional	in the system operation region [
	at least the following functions,	coordination centres shall perform	set out in more detail in Annex	
	set out in more detail in Annex	at least the following functions, set	I:	
	I:	out in more detail in Annex I:		
551.	(a) coordinated capacity	(a) coordinated capacity	(a) coordinated capacity	Maintain Council GA
	calculation;	calculation in accordance with the	calculation in accordance with	
		methodologies developed pursuant	the methodologies developed	
		to Articles 21, 26, 29 and 30 of	pursuant to the Capacity	
		Regulation (EU) 2015/1222;	Allocation and Congestion	
			Management Guideline	
			adopted on the basis of Article	
			18 of Regulation 714/2009;	
552.	(b) coordinated security	(b) coordinated security analysis	(b) coordinated security	Maintain Council GA
	analysis;	in accordance with the	analysis in accordance with the	
		methodologies developed pursuant	methodologies developed	
		to Articles 75 and 76 of	pursuant to the System	
		Commission Regulation (EU)	Operation Guideline adopted	
		2017/1485 ^{1a} ;	on the basis of Article 18 of	
		^{1a} Commission Regulation (EU)	Regulation 714/2009;	
		2017/1485 of 2 August 2017	, , , , , , , , , , , , , , , , , , ,	
		establishing a guideline on		
		electricity transmission system		
		operation (OJ L 220, 25.8.2017, p.		
		1).		

553.	(c) creation of common	(c) creation of common system	(c) creation of common [Maintain Council GA
	system models;	models in accordance with the	grid models in accordance with	
		methodologies and procedures	the methodologies and	
		developed pursuant to Articles 67,	procedures developed	
		70 and 79 of Commission	pursuant to the System	
		Regulation (EU) 2017/1485;	Operation Guideline adopted	
			on the basis of Article 18 of	
			Regulation 714/2009;	
554.	(d) consistency assessment of	(d) consistency assessment of	(d) support the consistency	Maintain Council GA
	transmission system operators'	transmission system operators'	assessment of transmission	
	defense plans and restoration	defense plans and restoration plans	system operators' defence plans	
	plans;	in accordance with the procedure	and restoration plans in	
		set out in Article 6 of Commission	accordance with the procedure	
		Regulation (EU) 2017/2196 ^b ;	set out in the Emergency and	
		^{1b} Commission Regulation (EU)	Restoration Network Code	
		2017/2196 of 24 November 2017	adopted on the basis of Article	
		establishing a network code on	6 of Regulation 714/2009;	
		electricity emergency and		
		restoration (OJ L 312, 28.11.2017,		
555		p. 54)	(1-)	Maintain Committed
555.			(da) regional week ahead to	Maintain Council GA
			day-ahead system adequacy forecasts and assessments of	
			risk reducing actions in accordance with the	
			procedures set out in the	
			System Operation Guideline	
			adopted on the basis of Article	
			_	
			18 of Regulation 714/2009;	

556.			(db) regional outage planning coordination in accordance with the procedures set out in the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009;	Maintain Council GA
557.			(dc) training and certification of staff working for Regional Security Coordinators[+];	Maintain Council GA
558.	(e) coordination and optimization of regional restoration;		(e) support the coordination and optimization of regional restoration as requested by transmission system operators;	Maintain Council GA
559.	(f) post-operation and post- disturbances analysis and reporting;		(f) post-operation and post- disturbances analysis and reporting;	Maintain Council GA
560.	(g) regional sizing of reserve capacity;		[]	Maintain Council GA
561.	(h) facilitate the regional procurement of balancing capacity;	(h) calculation of the regional balancing capacity;	[]	Maintain Council GA

562. 563.	(i) regional week ahead to intraday system adequacy forecasts and preparation of risk reducing actions;(j) outage planning coordination;	(i) regional week ahead to intraday system adequacy forecasts and preparation of risk reducing actions in accordance with the methodology set out in Article 8 of Regulation (EU) [Regulation on risk preparedness as proposed by COM(2016) 862] and the procedures set out in Article 81 of Commission Regulation (EU) 2017/1485[The Commission Regulation establishing a Guideline on electricity transmission system operation]; (j) outage planning coordination in accordance with the procedures set out in Article 80 of		Maintain Council GA Maintain Council GA
		Commission Regulation (EU)		
		2017/1485 ;		
564.	(k) optimisation of compensation mechanisms	(k) optimisation of compensation mechanisms between transmission		Maintain Council GA
	between transmission system	system operators;		
	operators;	system operators,		
565.	(l) training and certification;	(1) training and certification;	[]	Maintain Council GA
566.	(m) identification of regional	deleted	(m) identification of regional	Maintain Council GA
2000	crisis scenarios according to		crisis scenarios if and to the	23
	Article 6(1) of [Regulation on		extent they are requested	
	risk preparedness as proposed		pursuant to Article 6(1) of	
	by COM(2016) 862] if this task		[Regulation on risk preparedness	
	is delegated by ENTSO for		as proposed by COM(2016) 862;	
	Electricity;			

567.	(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities pursuant to Article 12(3) of [Regulation on risk preparedness as proposed by COM(2016) 862];		(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities pursuant to Article 12(3) of [Regulation on risk preparedness as proposed by COM(2016) 862];	Maintain Council GA
568.	(o) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional operational centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(o) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional <i>coordination</i> centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862];		Maintain Council GA
569.	(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional operational centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional <i>coordination</i> centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(p) tasks related to the seasonal adequacy outlooks if and to the extent they are requested pursuant to Article 9([] 3) of [Regulation on risk preparedness as proposed by COM(2016) 862];	Maintain Council GA
570.	(q) calculate the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms pursuant to Article 21(6).		(q) calculate the value for the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms [] for the purpose to issue an recommendation pursuant to Article 21(6).	Maintain Council GA

571.		(qa) tasks related to support transmission system operators in the identification of needs for new capacity, for upgrade of existing capacity or their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) 347/2013 and included in the ten-year network development plan referred to in Article 51 of the Directive (EU) [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		Accept modified AM (qa) tasks related to support transmission system operators in the identification of needs for new transmission capacity, for upgrade of existing transmission capacity or their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) 347/2013 and included in the ten-year network development plan referred to in Article 51 of the Directive (EU) [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].
572.	2. The Commission may add other functions to the regional operational centres, not involving decision making power, pursuant to Chapter VII of this Regulation.	AM 134 2. The Commission may add other functions to the regional <i>coordination</i> centres, not involving decision making power, pursuant to Chapter VII of this Regulation.	Upon joint proposal of regulatory authorities, following consultation with the transmission system operators and the Regional Security Coordinators, the Member States of the system operation region may jointly decide to provide for additional advisory coordination tasks, on the basis of which Regional Security Coordinators will issue recommendations pursuant to Article 38. In such instance, Regional Security Coordinators shall execute those tasks on the basis of the methodologies drafted by transmission system operators and agreed by the relevant regulatory authorities.	Maintain Council GA

573.	3. Transmission system	AM 135	3. Transmission system	Maintain Council GA
	operators shall provide their	3. Transmission system	operators shall provide their []	
	regional operational centre with	operators shall provide their	Regional Security	
	the information necessary to	regional <i>coordination</i> centre with	Coordinators with the	
	carry out its functions.	the information necessary to carry	information necessary to carry	
		out its functions.	out its [] tasks.	
574.		AM 136	4. [] Regional Security	Maintain Council GA
	centres shall provide	4. Regional <i>coordination</i>	Coordinators shall provide	
	transmission system operators of	centres shall provide transmission	transmission system operators of	
	the system operation region with	system operators of the system	the system operation region with	
	all the information necessary to	operation region with all the	all the information necessary to	
	implement the decisions and	information necessary to <i>ensure</i>	implement the [] coordinated	
	recommendations proposed by	system stability and security of	actions and recommendations	
	the regional operational centres.	supply.	proposed by the [] Regional	
			Security Coordinators.	16.
575.		For the functions set out in this		Maintain Council GA
		Article and not already covered by		
		the relevant guidelines, the		
		ENTSO for Electricity shall		
		develop a proposal in accordance		
		with the procedure set out in		
		Article 22. Regional coordination		
		centres shall execute those		
		functions on the basis of a		
		proposal that has been approved		
		by the Agency.		

<i>576</i> .	Article 35 Cooperation within regional operational centres	AM 137 Cooperation within and among regional coordination centres	Article 35 Cooperation within [] and between Regional Security Coordinators	Maintain Council GA
577.	1. The day-to-day operation of regional operational centres shall be managed through cooperative decision-making. The cooperative-decision making process shall be based on:	The day-to-day operation of regional coordination centres shall be managed through cooperative decision making amongst the transmission system operators of the region, including arrangements for coordination between regional coordination centres where relevant. The cooperative process shall be based on:	1. The day-to-day [] coordination within and between Regional Security Coordinators shall be managed through cooperative [] processes [] based on:	Accept in part and modified GA 1. The day-to-day [] coordination within and between Regional Security Coordinators shall be managed through cooperative [] processes amongst the transmission system operators of the region, including arrangements for coordination between Regional Security Coordinators [] where relevant. The cooperative process shall be based on:
578.	(a) working arrangements to address planning and operational aspects related to the functions, in accordance with Article 36;		(a) working arrangements to address planning and operational aspects [] relevant for the tasks referred to in Article 34(1);	Maintain Council GA
579.	(b) a procedure for consulting the transmission system operators of the system operation region in the exercise of its operational duties and tasks, in accordance with Article 37;	(b) a procedure for consulting, in an efficient and inclusive manner, the transmission system operators and relevant stakeholders of the system operation region in accordance with Article 37;	(b) a procedure for sharing analysis and consulting Regional Security Coordinators proposals with the transmission system operation region in the exercise of the operational duties and tasks in accordance with Article 37 and with other Regional Security Coordinators;	Accept modified GA (b) a procedure for sharing analysis and consulting Regional Security Coordinators proposals with the transmission system operators of the system operation region and relevant stakeholders, in an efficient and inclusive manner, in the exercise of the operational duties and tasks in accordance with Article 37 and with other Regional Security Coordinators;

580	(c) a procedure for the adoption of decisions and recommendations in accordance with Article 38;	(c) a procedure for the adoption and revision of decisions and recommendations in accordance with Article 38 that ensures equitable treatment between members of the regional operational centre;	(c) a procedure for the adoption of [] coordinated actions and recommendations in accordance with Article 38;	Maintain Council GA	
581	(d) a procedure for the revision of decisions and recommendations adopted by regional operational centres in accordance with Article 39.	deleted	(d) a procedure for the revision of [] coordinated actions and recommendations [] issued by Regional Security Coordinators in accordance with Article 39.	Maintain Council GA	
582		Article 36 Working arrangements			
583	1. Regional operational centres shall develop working arrangements to address planning and operational aspects related to the functions to be performed, taking into account, in particular, the specificities and requirements of those functions as specified in Annex I.	AM 138 1. Regional coordination centres shall develop working arrangements that are efficient, inclusive, transparent and facilitate consensus, to address planning and operational aspects related to the functions to be performed, taking into account, in particular, the specificities and requirements of those functions as specified in Annex I.	1. [] Regional Security Coordinators shall develop working arrangements to address planning and operational aspects related to the [] tasks to be performed taking into account, in particular, the specificities and requirements of those [] tasks as specified in Annex I. Regional Security Coordinators shall also develop a process for any revision of these working arrangements.	Accept in part 1. [] Regional Security Coordinators shall develop working arrangements that are efficient, inclusive, transparent and facilitate consensus, to address planning and operational aspects related to the [] tasks to be performed taking into account, in particular, the specificities and requirements of those [] tasks as specified in Annex I. Regional Security Coordinators shall also develop a process for any revision of these working arrangements.	

584.	2. Regional operational centres shall ensure that the working arrangements contain rules for the notification of parties concerned.	AM 139 2. Regional <i>coordination</i> centres shall ensure that the working arrangements contain rules for the notification of parties concerned.	2. [] Regional Security Coordinators shall ensure that the working arrangements contain rules for the notification of parties concerned.	Maintain Council GA
<i>585</i> .		Const	Article 37 ultation procedure	
586.	Regional operational centres shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	AM 140 Regional <i>coordination</i> centres shall develop a procedure to organise, in the exercise of their daily duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	1. [] Regional Security Coordinators shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators of the system operation region, other Regional Security Coordinators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	Maintain Council GA

587.	2. If necessary, the	Maintain Council GA
	Regional Security	
	Coordinators may consu	ılt the
	Member States of the sy	stem
	operation region and, w	here
	applicable, their regiona	ıl
	forums on matters of po	litical
	relevance excluding the	
	to-day activities of Region	
	Security Coordinators a	
	implementation of their	tasks.
	The Regional Security	
	Coordinators shall take	due
	account of the	
	recommendations given	
	Member States and whe	re
	applicable, by their regi	onal
	forums.	

588.	AM 141	Accept modified AM
	Article 37 a (new)	Transparency
	Article 37a	1. Regional Security Coordinators [] shall
	Transparency	organise a process for stakeholder
	1. Regional coordination	involvement and organise regular meetings
	centres shall organise a process	with stakeholders to discuss matters relating to
	for stakeholder involvement and	the efficient, secure and reliable operation of
	organise regular meetings with	the interconnected system as well as to identify
	stakeholders to discuss matters	shortcomings and propose improvements;
	relating to the efficient, secure and	
	reliable operation of the	
	interconnected system as well as to	
	identify shortcomings and propose	
	improvements;	
589.	2. ENTSO for Electricity and	Accept modified AM
	regional operational centres shall	2. ENTSO for Electricity and Regional
	operate in full transparency	Security Coordinators [] shall operate in full
	towards stakeholders and the	transparency towards stakeholders and the
	general public. All relevant	general public. All relevant documentation
	documentation shall be published	shall be published on the website of the
	on the website of the respective	respective Regional Security Coordinator [].
	regional coordination centre. This	
	paragraph shall apply to the	
	proposals, justifications and	
	decisions adopted pursuant to	
	Articles 32 and 33, Article 35(a)	
	and Article 38 of this Regulation.	

<i>590</i> .	Article 38	AM 142	Article 38	Maintain Council GA
	Adoption of decisions and	Article 38 – title	[] Coordinated actions and	
	recommendations	Adoption and revisions of	recommendations	
		decisions and recommendations		
591.	1. Regional operational	AM 143	1. [] The transmission	Maintain Council GA
	centres shall develop a	1. The transmission system	system operators of a system	
	procedure for the adoption of	operators of each regional	operation region shall develop	
	decisions and recommendations.	<i>coordination centre</i> shall develop	a procedure for the adoption of	
		procedures for the adoption and	coordinated actions and	
		<i>revision</i> of decisions and	recommendations put forward	
		recommendations that ensures	by Regional Security	
		geographically balanced	Coordinators in accordance	
		representation and equitable	with the criteria set out in	
		treatment of members of the	paragraphs 2 to 4.	
		regional coordination centre.		
592.	2. Regional operational	AM 144	2. [] Regional Security	Maintain Council GA
	centres shall adopt binding	2. Regional <i>coordination</i>	Coordinators shall [] set-out	
	decisions addressed to the	centres shall adopt binding	coordinated actions addressed	
	transmission system operators in	decisions addressed to the	to the transmission system	
	respect of the functions referred	transmission system operators in	operators in respect of the []	
	to in points (a), (b), (g) and (q)	respect of the functions referred to	tasks referred to in points (a)	
	of Article 34(1). Transmission	in (a) <i>and (b)</i> of Article 34(1).	and (b), [] of Article 34(1).	
	system operators shall	Transmission system operators	Transmission system operators	
	implement the binding decisions	shall implement the binding	may decide not to []	
	issued by the regional	decisions issued by the regional	implement the coordinated	
	operational centres except in	coordination centres except in	actions [] issued by the []	
	cases when the safety of the	cases where the implementation of	Regional Security	
	system will be negatively	the decision would result in a	Coordinators where the	
	affected.	violation of operational security	implementation of the	
		limits defined by each	coordinated actions would	
		transmission system operator	result in a violation of the	
		pursuant to Article 25 of	operational security limits	
		Commission Regulation (EU)	defined by each transmission	
		2017/1485.	system operator in accordance	
			with [] the System Operation	

			Guideline adopted on the basis	
			of Article 18 of Regulation	
			714/2009.	
593.			2a. Where following the	Maintain Council GA
			revision triggered in	
			accordance with Article 39, a	
			transmission system operator	
			decides not to implement a	
			coordinated action for the	
			reasons set out in paragraph 2,	
			it shall transparently report	
			the detailed reasons to the	
			Regional Security Coordinator	
			and the transmission system	
			operators of the system	
			operation region without	
			undue delay. In such cases, the	
			Regional Security Coordinator	
			shall assess the impact on the	
			other transmission system	
			operators of the system	
			operation region and may	
			propose a different set of	
			coordinated actions subject to	
504	2	A N/I 145	a procedure in paragraph 2.	Maintain Committee
594.	\mathcal{E}	AM 145	3. [] Regional Security	Maintain Council GA
	centres shall adopt	3. Regional <i>coordination</i>	Coordinators shall adopt	
	recommendations addressed to the transmission system	centres shall adopt recommendations addressed to the	recommendations addressed to	
	operators for the functions		the transmission system	
	referred to in points (c) to (f)	transmission system operators for the functions <i>listed in Article 34(1)</i>	operators for the [] tasks referred to in [] Article 34(1)	
	and (h) to (p) of Article 34(1).	which are not referred to in	except for tasks covered in	
	and (ii) to (p) of Afficie 34(1).			
		paragraph 2 of this Article.	paragraph 2 of this Article.	

595.	AM 146	Reject
373.	Article 38 – paragraph 3 a (new)	Reject
	3 a. Where a transmission	
	system operator decides to deviate	
	from the decision or	
	recommendation issued by the	
	regional coordination centre, it	
	shall submit a detailed explanation	
	to the regional coordination centre	
	and to other transmission system	
	operators of the system operation	
	region without delay.	
596.	AM 147	Reject
	Article 38 – paragraph 3 b (new)	
	3 b. The revision shall be	
	triggered at the request of one or	
	more of the transmission system	
	operators of the system operation	
	region. Following the revision of	
	the decision or recommendation,	
	regional operational centres shall	
	confirm or modify the measure.	
597.	AM 148	Reject
397.		Reject
	Article 38 – paragraph 3 c (new)	
	3 c. Where the measure subject	
	to revision is a binding decision in	
	accordance with Article 38(2) of	
	this Regulation, the request for	
	revision shall not suspend the	
	decision except in cases where the	
	implementation of the decision	
	would result in a violation of	
	operational security limits defined	
	by each transmission system	
	operator pursuant to Article 25 of	
	the System Operation guidelines.	

598.	4. The regulatory authorities of a system operation region may jointly decide to grant binding decision-making powers to the regional operational centre for one or more of the functions provided for in points (c) to (f) and (h) to (l) of Article 34(1).	4. The regulatory authorities of a system operation region may jointly decide to grant binding decision-making powers to the regional <i>coordination</i> centre for one or more of the functions <i>listed</i> in Article 34(1) and which are not referred to in paragraph 2 of this Article.	4. Upon proposal of regulatory authority, following consultation with the transmission system operators and Regional Security Coordinators the [] Member States of a system operation region may jointly decide to grant the competence for coordinated actions or binding decision-making powers to the [] Regional Security Coordinators for one or more of the [] tasks provided for in [] Article 34(1).	Maintain Council GA
599.	Article 39 Revision of decisions and recommendations	AM 150 deleted	Article 39 Revision of [] coordinated actions and recommendations	Maintain Council GA
600.	1. Regional operational centres shall develop a procedure for the revision of decisions and recommendations.		1. [] Regional Security Coordinators shall develop a procedure for the revision of [] coordinated actions and recommendations referred to tasks described in Article 34.	Maintain Council GA
601.	2. The procedure shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the decision or recommendation, regional operational centres shall confirm or modify the measure.		2. The procedure shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the [] coordinated action or recommendation, [] Regional Security Coordinators [+] shall confirm or modify the measure.	Maintain Council GA

602.	3. Where the measure	3. Whe	re the measure	Maintain Council GA
	subject to revision is a binding	subject to 1	revision is a []	
	decision in accordance with		ed action in	
	Article 38(2), the request for	accordance	with Article 38(2),	
	revision shall not suspend the		for revision shall not	
	decision except in cases when	*	e [] coordinated	
	the safety of the system will be		ept in cases [] where	
	negatively affected.		nentation of the	
			ed actions would	
		result in a	violation of the	
		operations	l security limits	
		defined by	each transmission	
		system op	erator in accordance	
		with the S	ystem Operation	
		Guideline	adopted on the basis	
		of Article	18 of Regulation	
		714/2009		
603.	4. Where the measure	4. Whe	re following the []	Maintain Council GA
	subject to revision is a	revision [
	recommendation in accordance		dation in accordance	
	with Article 38(3) and following		e 38([]3) []a	
	its revision a transmission		on system operator	
	system operator decides to		deviate from the	
	deviate from the	recommend		
	recommendation, the		on system operator	
	transmission system operator		it a [] justification to	
	shall submit a detailed		gional Security	
	justification to the regional		ors and to the other	
	operational centre and to the		on system operators of	
	other transmission system	the system	operation region.	
	operators of the system			
	operation region.			

<i>604</i> .	Article 40	AM 151	Article 40	Maintain Council GA
	Management board of regional	Article 40 – title	Management board of []	
	operational centres	Management board of regional	Regional Security Coordinators	
		coordination centres		
605.	1. In order to adopt	AM 152	1. In order to adopt measures	Maintain Council GA
	measures related to their	1. In order to adopt measures	related to their governance and	
	governance and to monitor their	related to their governance and to	to monitor their performance,	
	performance, the regional	monitor their performance, the	the [] Regional Security	
	operational centres shall	regional <i>coordination</i> centres shall	Coordinators shall establish a	
	establish a management board.	establish a management board.	management board.	
606.	2. The management board	AM 153	2. The management board	Accept modified AM
	shall be composed of members	2. The management board shall	shall be composed of members	2. The management board shall be
	representing the transmission	be composed of members	representing the transmission	composed of members representing all the
	system operators and of	representing all the transmission	system operators [].	transmission system operators [] that
	observers representing the	system operators of the system		participate in the respective Regional
	regulatory authorities of the	operation region. The <i>composition</i>		Security Coordinators.
	system operation region. The	of the <i>management board</i> shall <i>be</i>		
	representatives of the regulatory	geographically balanced.		
	authorities shall have no voting			
	rights.			
607.	3. The management board	AM 154	3. The management board	No change
	shall be responsible for:	3. The management board shall	shall be responsible for:	
		be responsible for:		
608.	(a) drafting and endorsing the	(a) drafting and endorsing the	(a) drafting and endorsing the	Maintain Council GA
	statutes and rules of procedure	statutes and rules of procedure of	statutes and rules of procedure	
	of the regional operational	the regional <i>coordination</i> centre;	of the [] Regional Security	
	centre;		Coordinators;	

609.		(b) [] implementing the	(b) deciding upon and	Maintain Council GA
	implementing the organisational	organisational structure;	implementing the organisational	
	structure;		structure;	
610.			(c) preparing and endorsing	Maintain Council GA
	the annual budget;		the annual budget;	
611.	(d) developing and endorsing		(d) developing and endorsing	Maintain Council GA
	the cooperative decision-making		the cooperative [] processes in	
	processes in accordance with		accordance with Article 35.	
	Article 35.			
612.	4. The competences of the	AM 155	4. The competences of the	Maintain Council GA
	management board shall exclude	4. The competences of the	management board shall exclude	
	those that are related to the day-	management board shall <i>not</i>	those that are related to the day-	
	to-day activities of regional	include decisions related to the	to-day activities of [] Regional	
	operational centres and the	execution of the functions of	Security Coordinators and the	
	performance of its functions.	regional <i>coordination</i> centres.	performance of its tasks [].	
<i>613</i> .			Article 41	
		Organ	isational structure	
614.	1. Regional operational centres shall set up and manage their organisation according to a structure that supports the safety of their functions. Their organisational structure shall specify:	AM 156 1. The transmission system operators of a system operation region shall set up the organisational structure of regional coordination centres. Their organisational structure shall specify:	1. Transmission system operators shall establish the necessary arrangements for Regional security coordinators to [] manage their organisation according to a structure that supports the safety of their tasks []. Their organisational structure	Accept in part and modified AM instead of GA 1. The transmission system operators of a system operation region shall set up the organisational structure of Regional Security Coordinators that supports the safety of their tasks. Their organisational structure shall specify:
			shall specify:	

<i>615</i> .	(a) the authority, duties and	AM 157	(a) the authority, duties and	Maintain Council GA
	responsibilities of the	(a) the authority, duties and	responsibilities of the	
	management personnel;	responsibilities of the [] personnel;	management personnel;	
<i>616</i> .	(b) the relationship and		(b) the relationship and	No change
	reporting lines between different		reporting lines between different	
	parts and processes of the		parts and processes of the	
	organisation.		organisation.	
617.	2. Regional operational	AM 158	2. [] Regional Security	Accept in part
	centres may set up regional	2. Regional <i>coordination</i>	Coordinators may set up	2. [] Regional Security Coordinators
	desks to address local	centres may set up regional desks to	regional desks to address []	may set up regional desks to address [] sub-
	specificities or back-up	address local specificities or back-	sub-regional specificities or	regional specificities or back-up regional
	operational centres for the	up <i>coordination</i> centres for the	back-up regional security	security coordinators for the efficient and
	efficient and reliable exercise of	efficient and reliable exercise of	coordinators for the efficient and	reliable exercise of their [] tasks where
	their functions.	their functions where proven to be	reliable exercise of their []	proven to be strictly necessary.
		strictly necessary.	tasks.	·

<i>618</i> .			Article 42			
		Equipment and staff				
619.	Regional operational centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions.	Regional coordination centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions independently and impartially. The human, technical, physical and financial resources for regional coordination centres shall not go beyond what is strictly necessary for the fulfilment of its tasks while geographically balanced representation and equitable treatment of members of regional coordination centre shall be ensured.	[] Regional Security Coordinators shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their [] tasks.	Maintain Council GA		
<i>620</i> .			Article 43			
			oring and reporting			
621.	1. Regional operational centres shall establish a process for the continuous monitoring of at least:	AM 160 1. Regional <i>coordination</i> centres shall establish a process for the continuous monitoring of at least:	1. [] Regional Security Coordinators shall establish a process for the continuous monitoring of at least:	Maintain Council GA		
622.	(a) their operational performance;	(a) their operational performance;	(a) their operational performance;	No change		

623.	(b) the decisions and	(b) the decisions and	(b) the [] coordinated	Maintain Council GA
	recommendations issued and the	recommendations issued <i>in</i>	actions and recommendations	
	outcome achieved;	particular on those where the	issued the degree of	
		transmission system operators	implementation of the	
		have deviated and the outcome	coordinated actions and	
		achieved;	recommendations by the	
			transmission system operators	
			and the outcome achieved;	
624.	(c) the effectiveness and		(c) the effectiveness and	Maintain Council GA
	efficiency of each of the		efficiency of each of the []	
	functions for which they are		tasks for which they are	
	responsible.		responsible.	
625.	2. Regional operational	AM 161	2. [] Regional Security	Maintain Council GA
	centres shall submit to the	deleted	Coordinators shall submit to	
	Agency and to the regulatory		the Agency [] to the regulatory	
	authorities of the system		authorities and to the	
	operation region the data		transmission system operators	
	resulting from their continuous		of the system operation region	
	monitoring at least annually.		the data resulting from their	
			continuous monitoring at least	
		177.169	annually.	
626.	3. Regional operational	AM 162	3. [] Regional Security	Maintain Council GA
	centres shall establish their costs	3. Regional <i>coordination</i>	Coordinators shall establish	
	in a transparent manner and	centres shall establish their costs in	their costs in a transparent	
	report them to the Agency and	a transparent manner and report	manner and report them to the	
	to the regulatory authorities of	them to the Agency and to the	Agency and to the regulatory	
	the system operation region.	regulatory authorities of the system	authorities of the system	
		operation region.	operation region.	

627.	4. Regional operational centres shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02 ²³ .	AM 163 4. Regional <i>coordination</i> centres shall submit an annual report <i>containing relevant</i> monitoring data pursuant to paragraph 1 of this Article and information on their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02.	4. [] Regional Security Coordinators shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02 ²⁴ .	Maintain Council GA
628.	5. Regional operational centres shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the system operation region, the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations.	AM 164 5. Regional <i>coordination</i> centres shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the system operation region, the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations.	5. [] Regional Security Coordinators shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the region the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations. Following this report, the regulatory authorities of the region may propose to the Regional Security Coordinators measures to address the shortcomings.	Maintain Council GA

Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2). Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2). 23

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629.		AM 165 Article 43 – paragraph 5 a (new) 5 a. Without prejudice to the principle of confidentiality and the need to preserve security and commercially sensitive information regional coordination centres shall make public the reports referred to in paragraphs 4 and 5.		Accept with one change: 5 a. Without prejudice to the principle of confidentiality and the need to preserve security and commercially sensitive information Regional Security Coordinators[] shall make public the reports referred to in paragraphs 4 and 5.
<i>630</i> .			Article 44 Liability	
631.	Regional operational centres shall take the necessary steps to cover liability related to the execution of their tasks, in particular, where they adopt decisions binding on transmission system operators. The method employed to provide the cover shall take into account the legal status of the regional operational centre and the level of commercial insurance cover available.	AM 166 The proposal for the establishment of regional coordination centres in accordance with Article 32, shall include arrangements to cover liability related to the execution of the tasks of the regional coordination centre. The method employed to provide the cover shall take into account the legal status of the regional coordination centre and the level of commercial insurance cover available.	[] In the proposal for the establishment of regional security coordinators in accordance with Article 32, the transmission system operators of the system operation region shall take the necessary steps to cover liability related to the execution of their tasks. [] The method employed to provide the cover shall take into account the legal status of the [] Regional Security Coordinators and the level of commercial insurance cover available.	Maintain Council GA

<i>632</i> .		Article 45
		Ten-year network development plan
633.	1. The Union-wide	1. The Union-wide network
	network development plan	development plan referred to
	referred to under Article	under Article 27(1)(b) shall
	27(1)(b) shall include the	include the modelling of the
	modelling of the integrated	integrated network, scenario
	network, scenario development	development and an assessment
	and an assessment of the	of the resilience of the system.
	resilience of the system.	The Union-wide network
	The Union-wide network	development plan shall, in
	development plan shall, in	particular:
	particular:	
634.	(a) build on national	(a) build on national
	investment plans, taking into	investment plans, taking into
	account regional investment	account regional investment
	plans as referred to in Article	plans as referred to in Article
	12(1), and, if appropriate, Union	12(1), and, if appropriate, Union
	aspects of network planning as	aspects of network planning as
	set out in Regulation (EU) No	set out in Regulation (EU) No
	347/2013 of the European	347/2013 of the European
	Parliament and of the Council	Parliament and of the Council;
	²⁵ ; it shall be subject to a cost-	it shall be subject to a cost-
	benefit analysis using the	benefit analysis using the
	methodology established as set	methodology established as set
	out in Article 11 of that	out in Article 11 of that
	Regulation;	Regulation;

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Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (OJ L 115, 25.4.2013, p. 39).

635.	(b) regarding cross-border	(b) regarding cross-border	
	interconnections, also build on	interconnections, also build on	
	the reasonable needs of different	the reasonable needs of different	
	system users and integrate long-	system users and integrate long-	
	term commitments from	term commitments from	
	investors referred to in Articles	investors referred to in Articles	
	44 and 51 of [recast of Directive	44 and 51 of [recast of Directive	
	2009/72/EC as proposed by	2009/72/EC as proposed by	
	COM(2016) 864/2]; and	COM(2016) 864/2]; and	
636.	(c) identify investment gaps,	(c) identify investment gaps,	
	notably with respect to cross-	notably with respect to cross-	
	border capacities.	border capacities.	
637.	In regard to point (c), a review	In regard to point (c), a review	
	of barriers to the increase of	of barriers to the increase of	
	cross-border capacity of the	cross-border capacity of the	
	network arising from different	network arising from different	
	approval procedures or practices	approval procedures or practices	
	may be annexed to the Union-	may be annexed to the Union-	
	wide network development plan.	wide network development plan.	
638.	2. The Agency shall provide	2. The Agency shall provide	
	an opinion on the national ten-	an opinion on the national ten-	
	year network development plans	year network development plans	
	to assess their consistency with	to assess their consistency with	
	the Union-wide network	the Union-wide network	
	development plan. If the Agency	development plan. If the Agency	
	identifies inconsistencies	identifies inconsistencies	
	between a national ten-year	between a national ten-year	
	network development plan and	network development plan and	
	the Union-wide network	the Union-wide network	
	development plan, it shall	development plan, it shall	
	recommend amending the	recommend amending the	
	national ten-year network	national ten-year network	
	development plan or the Union-	development plan or the Union-	
	wide network development plan	wide network development plan	
	as appropriate. If such national	as appropriate. If such national	

ten-year network development	ten-year network development	
plan is elaborated in accordance	plan is elaborated in accordance	
with Article 51 of [recast of	with Article 51 of [recast of	
Directive 2009/72/EC as	Directive 2009/72/EC as	
proposed by COM(2016)	proposed by COM(2016) 864/2],	
864/2], the Agency shall	the Agency shall recommend	
recommend that the competent	that the competent national	
national regulatory authority	regulatory authority amend the	
amend the national ten-year	national ten-year network	
network development plan in	development plan in accordance	
accordance with Article 51(7) of	with Article 51(7) of that	
that Directive and inform the	Directive and inform the	
Commission thereof.	Commission thereof.	

<i>639</i> .		Article 46
		Inter-transmission system operator compensation mechanism
640.		1. Transmission system
	operators shall receive	operators shall receive
	compensation for costs incurred	compensation for costs incurred
	as a result of hosting cross-	as a result of hosting cross-
	border flows of electricity on	border flows of electricity on
	their networks.	their networks.
641.	2. The compensation	2. The compensation
	referred to in paragraph 1 shall	referred to in paragraph 1 shall
	be paid by the operators of	be paid by the operators of
	national transmission systems	national transmission systems
	from which cross-border flows	from which cross-border flows
	originate and the systems where	originate and the systems where
	those flows end.	those flows end.
642.	3. Compensation payments	3. Compensation payments
	shall be made on a regular basis	shall be made on a regular basis
	with regard to a given period of	with regard to a given period of
	time in the past. Ex-post	time in the past. Ex-post
	adjustments of compensation	adjustments of compensation
	paid shall be made where	paid shall be made where
	necessary, to reflect costs	necessary, to reflect costs
	actually incurred.	actually incurred.
643.	The first period of time for	The first period of time for
	which compensation payments	which compensation payments
	shall be made shall be	shall be made shall be
	determined in the guidelines	determined in the guidelines
	referred to in Article 57.	referred to in Article 57.
644.	4. The Commission shall	4. The Commission shall
	adopt delegated acts in	adopt delegated acts in
	accordance with Article 63	accordance with Article 63
	concerning the amounts of	concerning the amounts of
	compensation payments	compensation payments payable.
	payable.	

645.		5. The magnitude of cross-	
	border flows hosted and the	border flows hosted and the	
	magnitude of cross-border flows	magnitude of cross-border flows	
	designated as originating and/or	designated as originating and/or	
	ending in national transmission	ending in national transmission	
	systems shall be determined on	systems shall be determined on	
	the basis of the physical flows of	the basis of the physical flows of	
	electricity actually measured	electricity actually measured	
	during a given period of time.	during a given period of time.	
646.	6. The costs incurred as a	6. The costs incurred as a	
	result of hosting cross-border	result of hosting cross-border	
	flows shall be established on the	flows shall be established on the	
	basis of the forward-looking	basis of the forward-looking	
	long-run average incremental	long-run average incremental	
	costs, taking into account losses,	costs, taking into account losses,	
	investment in new	investment in new infrastructure,	
	infrastructure, and an	and an appropriate proportion of	
	appropriate proportion of the	the cost of existing	
	cost of existing infrastructure, in	infrastructure, in so far as such	
	so far as such infrastructure is	infrastructure is used for the	
	used for the transmission of	transmission of cross-border	
	cross-border flows, in particular	flows, in particular taking into	
	taking into account the need to	account the need to guarantee	
	guarantee security of supply.	security of supply. When	
	When establishing the costs	establishing the costs incurred,	
	incurred, recognised standard-	recognised standard-costing	
	costing methodologies shall be	methodologies shall be used.	
	used. Benefits that a network	Benefits that a network incurs as	
	incurs as a result of hosting	a result of hosting cross-border	
	cross-border flows shall be	flows shall be taken into account	
	taken into account to reduce the	to reduce the compensation	
	compensation received.	received.	

operator compensation mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The regulatory authorities of the
operator compensation mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article . The
order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The
control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The
as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The
Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The
compensation payments under paragraph 1 of this Article. The
paragraph 1 of this Article . The
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regulatory authorities of the
regulatory authornties of the
Member States concerned may
decide which of the Member
States concerned shall be that of
which the control block as a
whole is to be considered to
form part.

For the purpose of the inter-transmission system operator compensation mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The regulatory authorities of the Member States concerned may decide which of the Member States concerned shall be that of which the control block as a whole is to be considered to form part.

648.		Article 47
		Provision of information
649.	3	1. Transmission system
	operators shall put in place	operators shall put in place
	coordination and information	coordination and information
	exchange mechanisms to ensure	exchange mechanisms to ensure
	the security of the networks in	the security of the networks in
	the context of congestion	the context of congestion
	management.	management.
650.	2. The safety, operational	2. The safety, operational
	and planning standards used by	and planning standards used by
	transmission system operators	transmission system operators
	shall be made public. The	shall be made public. The
	information published shall	information published shall
	include a general scheme for the	include a general scheme for the
	calculation of the total transfer	calculation of the total transfer
	capacity and the transmission	capacity and the transmission
	reliability margin based upon	reliability margin based upon the
	the electrical and physical	electrical and physical features
	features of the network. Such	of the network. Such schemes
	schemes shall be subject to the	shall be subject to the approval
	approval of the regulatory	of the regulatory authorities.
	authorities.	

651.	3		3. Transmission system	
	operators shall publish estimates		operators shall publish estimates	
	of available transfer capacity for		of available transfer capacity for	
	each day, indicating any		each day, indicating any	
	available transfer capacity		available transfer capacity	
	already reserved. Those		already reserved. Those	
	publications shall be made at		publications shall be made at	
	specified intervals before the		specified intervals before the	
	day of transport and shall		day of transport and shall	
	include, in any event, week-		include, in any event, week-	
	ahead and month-ahead		ahead and month-ahead	
	estimates, as well as a		estimates, as well as a	
	quantitative indication of the		quantitative indication of the	
	expected reliability of the		expected reliability of the	
	available capacity.		available capacity.	
652.	4. Transmission system	AM 167	4. Transmission system	
	operators shall publish relevant	4. Transmission system	operators shall publish relevant	
	data on aggregated forecast and	operators shall publish relevant data	data on aggregated forecast and	
	actual demand, on availability	on aggregated forecast and actual	actual demand, on availability	
	and actual use of generation and	demand, on availability and actual	and actual use of generation and	
	load assets, on availability and	use of generation and load assets,	load assets, on availability and	
	use of the networks and	on availability and use of the	use of the networks and	
	interconnections, and on	networks and interconnections, on	interconnections, and on	
	balancing power and reserve	balancing power and reserve	balancing power and reserve	
	capacity. For availability and	capacity and on the availability of	capacity. For availability and	
	actual use of small generation	<i>flexibility</i> . For availability and	actual use of small generation	
	and load units, aggregated	actual use of small generation and	and load units, aggregated	
	estimate data may be used.	load units, aggregated estimate data	estimate data may be used.	
		may be used.		
653.	5. The market participants		5. The market participants	
	concerned shall provide the		concerned shall provide the	
	transmission system operators		transmission system operators	
	with the relevant data.		with the relevant data.	

654.	6. Generation undertakings		
	which own or operate generation		
	assets, where at least one		
	generation asset has an installed		
	capacity of at least 250 MW, or		
	which have a portfolio		
	comprising at least 400 MW of		
	generation assets, shall keep at		
	the disposal of the national		
	regulatory authority, the national		
	competition authority and the		
	Commission, for five years all		
	hourly data per plant that is		
	necessary to verify all		
	operational dispatching		
	decisions and the bidding		
	behaviour at power exchanges,		
	interconnection auctions, reserve		
	markets and over-the-counter-		
	markets. The per-plant and per		
	hour information to be stored		
	shall include, but shall not be		
	limited to, data on available		
	generation capacity and		
	committed reserves, including		
	allocation of those committed		
	reserves on a per-plant level, at		
	the times the bidding is carried		
	out and when production takes		
	place.		

Generation undertakings which own or operate generation assets, where at least one generation asset has an installed capacity of at least 250 MW, or which have a portfolio comprising at least 400 MW of generation assets, shall keep at the disposal of the national regulatory authority, the national competition authority and the Commission, for five years all hourly data per plant that is necessary to verify all operational dispatching decisions and the bidding behaviour at power exchanges, interconnection auctions, reserve markets and over-the-countermarkets. The per-plant and per hour information to be stored shall include, but shall not be limited to, data on available generation capacity and committed reserves, including allocation of those committed reserves on a per-plant level, at the times the bidding is carried out and when production takes place.

655.	7. Transmission system	7. Transmission system
000.	operators shall exchange	operators shall exchange
	regularly a set of sufficiently	regularly a set of sufficiently
	accurate network and load flow	accurate network and load flow
	data in order to enable load flow	data in order to enable load flow
	calculations for each	calculations for each
	transmission system operator in	transmission system operator in
	their relevant area. The same set	their relevant area. The same set
	of data shall be made available	of data shall be made available
	to the regulatory authorities and	to the regulatory authorities and
	to the Commission upon	to the Commission and
	request. The regulatory	Member States upon request.
	authorities and the Commission	The regulatory authorities,
	shall treat that set of data	Member States and the
	confidentially, and shall ensure	Commission shall treat that set
	that confidential treatment is	of data confidentially, and shall
	also given by any consultant	ensure that confidential
	carrying out analytical work on	treatment is also given by any
	their request, on the basis of	consultant carrying out
	those data.	analytical work on their request,
		on the basis of those data.
<i>656</i> .		Article 48
		Certification of transmission system operators
657.	1. The Commission shall	1. The Commission shall
057.	examine any notification of a	examine any notification of a
	decision on the certification of a	decision on the certification of a
		transmission system operator as
	transmission system operator as	laid down in Article 52(6) of
	laid down in Article 52(6) of	[recast of Directive 2009/72/EC
	[recast of Directive 2009/72/EC	as proposed by COM(2016)
	as proposed by COM(2016)	864/2] as soon as it is received.
	864/2] as soon as it is received.	Within two months of the day of
	Within two months of the day of	receipt of such notification, the
	receipt of such notification, the	Commission shall deliver its
	Commission shall deliver its	opinion to the relevant national
	opinion to the relevant national	regulatory authority as to its
	regulatory authority as to its	125 state of a state of the

	compatibility with Article 52(2)	compatibility with Article 52(2)
	or Article 53 and Article 43 of recast of Directive 2009/72/EC	or Article 53 and Article 43 of [recast of Directive 2009/72/EC]
	as proposed by COM(2016)	as proposed by COM(2016)
	864/2].	864/2].
	<u>504/2</u>].	804/2j.
658.	When preparing the opinion	When preparing the opinion
	referred to in the first	referred to in the first
	subparagraph, the Commission	subparagraph, the Commission
	may request the Agency to	may request the Agency to
	provide its opinion on the	provide its opinion on the
	national regulatory authority's	national regulatory authority's
	decision. In such a case, the	decision. In such a case, the two-
	two-month period referred to in	month period referred to in the
	the first subparagraph shall be	first subparagraph shall be
	extended by two further months.	extended by two further months.
659.	In the absence of an opinion by	In the absence of an opinion by
	the Commission within the	the Commission within the
	periods referred to in the first	periods referred to in the first
	and second subparagraphs, the	and second subparagraphs, the
	Commission shall be deemed	Commission shall be deemed
	not to raise objections to the	not to raise objections to the
	regulatory authority's decision.	regulatory authority's decision.
660.	2. Within two months of	2. Within two months of
	receiving an opinion of the	receiving an opinion of the
	Commission, the national	Commission, the national
	regulatory authority shall adopt	regulatory authority shall adopt
	its final decision regarding the	its final decision regarding the
	certification of the transmission	certification of the transmission
	system operator, taking the	system operator, taking the
	utmost account of that opinion.	utmost account of that opinion.
	The regulatory authority's	The regulatory authority's
	decision and the Commission's	decision and the Commission's
	opinion shall be published	opinion shall be published
	together.	together.

661.	3. At any time during the	3. At any time during the
	procedure, regulatory authorities	procedure, regulatory authorities
	and/or the Commission may	and/or the Commission may
	request from a transmission	request from a transmission
	system operator and/or an	system operator and/or an
	undertaking performing any of	undertaking performing any of
	the functions of generation or	the functions of generation or
	supply any information relevant	supply any information relevant
	to the fulfilment of their tasks	to the fulfilment of their tasks
	under this Article.	under this Article.
662.		4. Regulatory authorities and
	the Commission shall preserve	the Commission shall preserve
	the confidentiality of	the confidentiality of
	commercially sensitive	commercially sensitive
	information.	information.
663.	5. Where the Commission	5. Where the Commission
	has received notification of the	has received notification of the
	certification of a transmission	certification of a transmission
	system operator under Article	system operator under Article
	43(9) of [recast of Directive	43(9) of [recast of Directive
	2009/72/EC as proposed by	2009/72/EC as proposed by
	COM(2016) 864/2, the	COM(2016) 864/2], the
	Commission shall take a	Commission shall take a
	decision relating to certification.	decision relating to certification.
	The regulatory authority shall	The regulatory authority shall
	comply with the Commission	comply with the Commission
	decision.	decision.

664.		Chapter VI Distribution system operation					
665.	Article 49 European entity for distribution system operators		Article 49 [] Cooperation of distribution system operators				
666.	Distribution system operators which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity.	AM 168 Distribution system operators shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall <i>have the right to</i> become registered members of the entity.	1. Distribution system operators [] shall cooperate at Union level [] to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. []				

667.	Registered members may participate in the EU DSO entity directly or be represented by the national association designated by the Member State or by an Union level association.		
668.	In performing its functions under Union law, the EU DSO entity shall act independently from individual national interests or the national interests of distribution system operators.		
669.		1a. Distribution system operators are entitled to associate themselves through the establishment of a European Entity for Distribution system operators the EU DSO entity and to join it. The EU DSO entity shall be established at the latest by 31 December 2022 and shall fulfil the tasks and procedures foreseen by this Regulation in accordance with Article [51]. As an expert entity working for the common European interest, it shall not represent particular interest nor seek to influence the decision making process to defend certain interests.	

670.			1b. Members of the EU DSO	
			entity shall be subject to	
			registration and payment of a	
			fair and proportionate	
			membership fee.	
<i>671</i> .	Article 50		Article 50	
	Establishment of the EU DSO		Establishment of the EU DSO	
	entity for electricity		entity[]	
<i>672</i> .			0. EU DSO entity shall	
			consist of, at least, a General	
			Assembly, Board of Directors,	
			Strategic Advisor Group,	
			Expert Groups and a	
			Secretary General.	
673.	1. By [OP: twelve months	AM 169	1. [] Within [OP: twelve	
	after entry into force], the	1. By [OP: twelve months after	months after entry into force,	
	distribution system operators,	entry into force], the distribution	the distribution system operators	
	with the administrative support	system operators, with the	[] shall submit to the	
	of the Agency, shall submit to	administrative support of the	Commission and to the Agency	
	the Commission and to the	Agency, shall submit to the	the draft statutes in accordance	
	Agency the draft statutes, a list	Commission and to the Agency the	with [Article 50a] including a	
	of registered members, the draft	draft statutes, a list of <i>participating</i>	code of conduct, a list of	
	rules of procedure, including the	distribution system operators and	registered members, the draft	
	rules of procedures on the	entities designated to represent	rules of procedure, including the	
	consultation with ENTSO for	distribution system operators, the	rules of procedures on the	
	Electricity and other	draft rules of procedure, including	consultation with ENTSO for	
	stakeholders and the financing	the rules of procedures on the	Electricity and other	
	rules, of the EU DSO entity to	consultation with ENTSO for	stakeholders and the financing	
	be established.	Electricity and other stakeholders,	rules, of the EU DSO entity to	
		the decision-making procedure and	be established.	
		the financing rules, of the EU DSO		
		entity to be established.		

674.		The draft rules of procedure of the EU DSO entity shall ensure balanced representation of all participating DSOs regardless of their size, including in the decision-making procedure.		
675.	2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.	AM 170 2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users and consumer protection organisations, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure, taking into account in particular the rules related to the independence of the EU DSO, to the prevention of conflicts of interests, and to the necessity to ensure geographically balanced representation and equitable treatment of its Members.	2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.	

676.	3. The Commission shall	AM 171	3. The Commission shall	
	deliver an opinion on the draft	3. The Commission shall	deliver an opinion on the draft	
	statutes, the list of members and	deliver an opinion on the draft	statutes, the list of members and	
	the draft rules of procedure	statutes, the list of members and the	the draft rules of procedure	
	taking into account the opinion	draft rules of procedure, including	taking into account the opinion	
	of the Agency provided for in	the rules of procedures on the	of the Agency provided for in	
	paragraph 2, within three	consultation with ENTSO for	paragraph 2, within three months	
	months of receipt of the opinion	Electricity and other stakeholders,	of receipt of the opinion of the	
	of the Agency.	the decision-making procedure	Agency.	
	e j	and the financing rules, taking into		
		account the opinion of the Agency		
		provided for in paragraph 2, within		
		three months of receipt of the		
		opinion of the Agency.		
677.	4. Within three months of		4. Within three months of	
	the day of receipt of the		the day of receipt of the	
	Commission's positive opinion,		Commission's positive opinion,	
	the distribution system operators		the distribution system operators	
	shall establish the EU DSO		shall establish the EU DSO	
	entity and adopt and publish its		entity and adopt and publish its	
	statutes and rules of procedure.		statutes and rules of procedure.	
678.	5. The documents referred to		5. The documents referred to	
	in paragraph 1 shall be		in paragraph 1 shall be	
	submitted to the Commission		submitted to the Commission	
	and to the Agency in case of		and to the Agency in case of	
	changes thereof or upon their		changes thereof or upon their	
	reasoned request. The Agency		reasoned request. The Agency	
	and the Commission shall		and the Commission shall	
	deliver an opinion in line with		deliver an opinion in line with	
	the process set out in paragraphs		the process set out in paragraph	
	2 to 4.		2 to 4.	

679.	6. The costs related to the	AM 172	6. The costs related to the	
	activities of the EU DSO entity	6. The costs related to the	activities of the EU DSO entity	
	shall be borne by distribution	activities of the EU DSO entity	shall be borne by distribution	
	system operators who are	shall be borne by distribution	system operators who are	
	registered members and shall be	system operators who are registered	registered members and shall be	
	taken into account in the	members and shall be <i>considered</i>	taken into account in the	
	calculation of tariffs. Regulatory	as eligible cost and taken into	calculation of tariffs. Regulatory	
	authorities shall approve those	account by the regulatory authority	authorities shall approve those	
	costs only if they are reasonable	in the calculation of tariffs.	costs only if they are reasonable	
	and proportionate.	Regulatory authorities shall	and proportionate.	
	and proportionate.	approve those costs only if they are	and proportionate.	
		reasonable and proportionate.		
(00		1 1	A -:4: -1 - 50 -	
680.		AM 173	Article 50a	
		Article 50 a (new)	Principal rules and procedures	
		Article 50a	for the EU DSO entity for	
		Principal rules and procedures for	electricity	
		the EU DSO entity for electricity		
681.		1. The statutes of the EU DSO	1. The statutes of the EU	
		entity adopted in accordance with	DSO entity adopted in	
		Article 50 shall safeguard the	accordance with Article 50	
		following principles:	shall safeguard the following	
			principles:	
682.		(a) participation in the works of	(a) participation in the	
		the EU DSO entity is limited to	works of the EU DSO entity is	
		registered members with the	limited to registered members	
		possibility of delegation within the	with the possibility of	
		membership;	delegation within the	
		membership;	delegation within the membership;	
683.		membership; (b) strategic decisions regarding	C	
683.		• '	membership;	
683.		(b) strategic decisions regarding	membership; (b) strategic decisions	
683.		(b) strategic decisions regarding the activities of the EU DSO entity	membership; (b) strategic decisions regarding the activities of the	
683.		(b) strategic decisions regarding the activities of the EU DSO entity as well as policy guidelines for the	membership; (b) strategic decisions regarding the activities of the EU DSO entity as well as	

684.	(c) decisions of the General	(c) decisions of the General	
	Assembly are adopted according	Assembly are adopted	
	with the following rules:	according with the following	
	- when 65% of the votes attributed	rules:	
	to the members of the General	- when 65% of the votes	
	Assembly are reached,	attributed to the members of	
	•	the General Assembly are	
	- whereby each member disposes	reached,	
	of a number of votes proportional	,	
	to the respective number of	- whereby each member	
	customers and	disposes of a number of votes	
		proportional to the respective	
		number of customers and	
	- the final outcome is supported by		
	at least 55% of the members of the	- the final outcome is	
	General Assembly.	supported by at least 55% of	
	,	the members of the General	
		Assembly.	

685.	(d) decisions of the General Assembly are blocked according with the following rules: -when 35% of the votes attributed to the members of the General Assembly are reached, - whereby each member disposes of a number of votes proportional to the respective number of customers; and - the final outcome is supported by at least 25% of the members of the General Assembly	(d) decisions of the General Assembly are blocked according with the following rules: -when 35% of the votes attributed to the members of the General Assembly are reached, - whereby each member disposes of a number of votes proportional to the respective number of customers; and - the final outcome is supported by at least 25% of the members of the General Assembly	
686.	(e) the Board of Directors is elected by the General Assembly for a mandate of maximum 4 years;	(e) the Board of Directors is elected by the General Assembly for a mandate of maximum 4 years;	
687.	(f) the Board of Directors nominates the President and the three Vice-Presidents among its members;	(f) the Board of Directors nominates the President and the three Vice-Presidents among its members;	
688.	(g) DSO-TSO cooperation pursuant to Articles 52 and 53 is led by the Board of Directors;	(g) DSO-TSO cooperation pursuant to Articles 52 and 53 is led by the Board of Directors;	

689.	(h) decisions of the Board of	(h) decisions of the Board of	
	Directors are adopted by simple	Directors are adopted by	
	majority of 15 votes;	simple majority of 15 votes;	
690.	(i) based on proposal by the	(i) based on proposal by the	
	Board of Directors, the Secretary	Board of Directors, the	
	General is appointed by the	Secretary General is appointed	
	General Assembly among its	by the General Assembly	
	members for a four years mandate,	among its members for a four	
	renewable once;	years mandate, renewable	
		once;	
691.	(j) based on proposal by the	(j) based on proposal by the	
	Board of Directors, Expert Groups	Board of Directors, Expert	
	are appointed by the General	Groups are appointed by the	
	Assembly whereby each group	General Assembly whereby	
	shall not exceed 30 members with	each group shall not exceed 30	
	the possibility of 1/3 coming from	members with the possibility	
	outside the membership. In	of 1/3 coming from outside the	
	addition, 'one country' expert	membership. In addition, 'one	
	group shall be established and	country' expert group shall be	
	consist of exactly one DSO	established and consist of	
	representative from each Member	exactly one DSO	
	State.	representative from each	
		Member State.	
692.	2. Procedures adopted by the	2. Procedures adopted by	
	EU DSO entity shall safeguard the	the EU DSO entity shall	
	fair and proportionate treatment of	safeguard the fair and	
	its members and reflect the diverse	proportionate treatment of its	
	geographical and economic	members and reflect the	
	structure of its membership. In	diverse geographical and	
	particular, the procedures shall	economic structure of its	
	foresee that:	membership. In particular, the	
		procedures shall foresee that:	

693.	(a) the Board of Directors is composed by the President of the Board and 27 members' representatives, of which: -[] 9 are representatives of members with more than 1 million grid users; -[] 9 are representatives of members with more than 100,000 and less than 1 million grid users; and -[] 9 are representatives of members with less than 100,000	(a) the Board of Directors is composed by the President of the Board and 27 members' representatives, of which: - 9 are representatives of members with more than 1 million grid users; - 9 are representatives of members with more than 100,000 and less than 1 million grid users; and - 9 are representatives of members with less than 100,000 grid users;	
694.	grid users; (b) representatives of existing DSO associations may participate as observers to the meetings of the Board of Directors;	(b) representatives of existing DSO associations may participate as observers to the meetings of the Board of Directors;	
695.	(c) the Board of Directors may not consist of more than 3 representatives of members based in the same Member State or the same industrial group;	(c) the Board of Directors may not consist of more than 3 representatives of members based in the same Member State or the same industrial group;	
696.	(d) each Vice-President of the Board has to be nominated among representatives of members in each category described in paragraph (a) above;	(d) each Vice-President of the Board has to be nominated among representatives of members in each category described in paragraph (a) above;	

697.	(e) representatives of members	(e) representatives of	
	based in one Member State or the	members based in one	
	same industrial group may not	Member State or the same	
	constitute the majority of the	industrial group may not	
	Expert Group participants;	constitute the majority of the	
		Expert Group participants;	
698.	(f) the Board of Directors shall	(f) the Board of Directors	
	establish a Strategic Advisory	shall establish a Strategic	
	group that provides its opinion to	Advisory group that provides	
	the Board of Directors and the	its opinion to the Board of	
	Expert Groups and consists of	Directors and the Expert	
	representatives of the European	Groups and consists of	
	DSO associations and	representatives of the	
	representatives of those Member	European DSO associations	
	States which are not represented in	and representatives of those	
	the Board of Directors.	Member States which are not	
		represented in the Board of	
		Directors.	

<i>699</i> .			Article 51	
		Tasks o	f the EU DSO entity	
700.	1. The tasks of the EU DSO	AM 174	1. The tasks of the EU DSO	
	entity shall be the following:	1. The tasks of the EU DSO	entity shall be the following:	
		entity shall be the following:		
701.	(a) coordinated operation and	(a) <i>promote</i> coordinated	(a) (b in GA) [] promote	
	planning of transmission and	operation and planning of	operation and planning of []	
	distribution networks;	transmission and distribution	distribution networks in	
		networks;	cooperation with operation	
			and planning of transmission	
			networks;	
702.	(b) integration of renewable	(b) improve and maximise the	(b) (c in GA) facilitation of	
	energy resources, distributed	integration of renewable energy	the integration of renewable	
	generation and other resources	resources, distributed generation	energy resources, distributed	
	embedded in the distribution	and <i>facilitate</i> other resources	generation and other resources	
	network such as energy storage;	embedded in the distribution	embedded in the distribution	
		network such as energy storage and	network such as energy storage;	
		sectoral integration;		
703.	(c) development of demand	(c) <i>facilitate the</i> development of	(c) (d in GA) facilitation of [
	response;	demand response;] demand side flexibility and	
			response, and distribution grid	
			users' access to markets;	
704.	(d) digitalisation of	(d) <i>improve the</i> digitalisation of	(d) (e in GA) contribute to	
	distribution networks including	distribution networks including	the digitalisation of distribution	
	deployment of smart grids and	deployment of smart grids and	[] systems including	
	intelligent metering systems;	<i>smart</i> metering systems;	deployment of smart grids and	
			intelligent metering systems;	

705.	(e) data management, cyber	(e) guarantee non-	(e) (f in GA) support the	
	security and data protection;	discriminatory and neutral access	development of data	
		to data regardless of the data	management, cyber security and	
		management model, and promote standardization, cross-border data	data protection in cooperation with relevant authorities and	
		exchange, in particular with	regulated entities;	
		ENTSO for Electricity where	regulated entities,	
		relevant to facilitate data		
		exchange, cyber security and data		
		protection;		
706.	(f) participation in the	(f) <i>participate</i> in the elaboration	(f) (a in GA) participation in	
	elaboration of network codes	of network codes pursuant to	the elaboration of network codes	
	pursuant to Article 55.	Article 55.	which are relevant to the	
			operation and planning of	
			distribution grids and the	
			coordinated operation of the	
			transmission and distribution	
			networks pursuant to Article 55.	
707.	2. In addition the EU DSO		2. In addition the EU DSO	
	entity shall:		entity shall:	
708.	(a) cooperate with ENTSO	AM 175	(a) cooperate with ENTSO	
	for electricity on the monitoring	(a) cooperate <i>effectively</i> with	for electricity on the monitoring	
	of implementation of the	ENTSO for electricity, the Agency	of implementation of the	
	network codes and guidelines	and national regulators to	network codes and guidelines	
	which are relevant to the	facilitate the monitoring by the	which are relevant to the	
	operation and planning of	Agency and where relevant the	operation and planning of	
	distribution grids and the	national regulatory authorities of	distribution grids and the	
	coordinated operation of the	implementation of the network	coordinated operation of the	
	transmission and distribution	codes and guidelines which are	transmission and distribution	
	networks and which are adopted	relevant to the operation and	networks and which are adopted	
	pursuant to this Regulation;	planning of distribution grids and	pursuant to this Regulation;	
		the coordinated operation of the		
		transmission and distribution		
		networks and which are adopted		
		pursuant to this Regulation;		

709.	(b) cooperate with ENTSO for electricity and adopt best practices on the coordinated operation and planning of	(b) cooperate with ENTSO for electricity and adopt best practices on the coordinated operation and planning of	
	transmission and distribution systems including issues such as exchange of data between	transmission and distribution systems including issues such as exchange of data between	
	operators and coordination of distributed energy resources;	operators and coordination of distributed energy resources;	
710.	practices on the areas identified in paragraph 1 and for the introduction of energy efficiency improvements in the distribution network;		
711.	(d) adopt an annual work programme and an annual report;	(d) adopt an annual work programme and an annual report;	
712.	(e) operate in full compliance with competition rules.	(e) operate in full compliance with competition rules and ensure neutrality.	

- While preparing possible **714.** 1. network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.
- **AM 176** While *participating in the* elaboration of new network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and

proposals of all relevant parties

during the decision-making

process.

While preparing possible network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve [] regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, [], technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.

715.	2. All documents and		2. All documents and	
	minutes of meetings related to		minutes of meetings related to	
	the consultations referred to in		the consultations referred to in	
	paragraph 1 shall be made		paragraph 1 shall be made	
	public.		public.	
716.	3. The EU DSO entity shall		3. The EU DSO entity shall	
	take into consideration the views		take into consideration the views	
	provided during the		provided during the	
	consultations. Before adopting		consultations. Before adopting	
	proposals for network codes		proposals for network codes	
	referred to in Article 55 the EU		referred to in Article 55 the EU	
	DSO entity shall indicate how		DSO entity shall indicate how	
	the observations received during		the observations received during	
	the consultation have been taken		the consultation have been taken	
	into consideration. It shall		into consideration. It shall	
	provide reasons where		provide reasons where	
	observations have not been		observations have not been	
	taken into account.		taken into account.	
<i>717</i> .			Article 53	
		Cooperation between distribution sys	tem operators and transmission sys	tem operators
718.		AM 177		
		Article 53 – paragraph -1 (new)		
		-1. The ENTSO for Electricity		
		and the EU DSO entity shall		
		develop a formal mechanism to		
		facilitate cooperation between		
		distribution system operators and		
		transmission system operators.		

719.	1. Distribution system	AM 178	1. Distribution system	
	operators shall cooperate with	1. Distribution <i>system</i>	operators and transmission	
	transmission system operators in	operators and transmission system	system operators shall	
	planning and operating their	operators shall cooperate in	cooperate with each other [] in	
	networks. In particular,	planning and operating their	planning and operating their	
	transmission and distribution	networks. In particular,	networks. In particular,	
	system operators shall exchange	transmission and distribution	transmission and distribution	
	all necessary information and	system operators shall exchange all	system operators shall exchange	
	data regarding, the performance	necessary information and data	all necessary information and	
	of generation assets and demand	regarding, the performance of	data regarding, the performance	
	side response, the daily	generation assets and demand side	of generation assets and demand	
	operation of their networks and	response, the daily operation of	side response, the daily	
	the long-term planning of	their networks and the long-term	operation of their networks and	
	network investments, with the	planning of network investments,	the long-term planning of	
	view to ensure the cost-efficient,	with the view to ensure the cost-	network investments, with the	
	secure and reliable development	efficient development and	view to ensure the cost-efficient,	
	and operation of their networks.	operation and the secure and	secure and reliable development	
		reliable operation of their networks.	and operation of their networks.	
720.			2. Transmission and	
	distribution system operators		distribution system operators	
	shall cooperate in order to		shall cooperate with each other	
	achieve coordinated access to		in order to achieve coordinated	
	resources such as distributed		access to resources such as	
	generation, energy storage or		distributed generation, energy	
	demand response that may		storage or demand response that	
	support particular needs of both		may support particular needs of	
	the distribution system and the		both the distribution system and	
	transmission system.		the transmission system.	

721.	Chapter VII			
		Network codes and guidelines		
<i>722</i> .		Article 54		
		Adoption of network codes and guidelines		
723.	1. The Commission may,	1. The Commission may,	Maintain Council GA	
	subject to the empowerments in	subject to the empowerments in		
	Articles 55 and 57, adopt	Articles 55 and 57, adopt []		
	delegated acts. Such delegated	implementing acts. Such []		
	acts can either be adopted as	implementing acts can either be		
	network codes on the basis of	adopted as network codes on the		
	text proposals developed by the	basis of text proposals		
	ENTSO for Electricity, or,	developed by the ENTSO for		
	where so decided in the priority	Electricity, or, where so decided		
	list pursuant to Article 55	in the priority list pursuant to		
	paragraph 2, by the EU DSO	Article 55 paragraph 2, by the		
	entity and the Agency pursuant	EU DSO entity where relevant		
	to the procedure in Article 55 or	in mutual cooperation with the		
	as guidelines pursuant to the	ENTSO for Electricity and the		
	procedure in Article 57.	Agency pursuant to the		
		procedure in Article 55 or as		
		guidelines pursuant to the		
		procedure in Article 57.		
724.	2. The network codes and	2. The network codes and	Maintain Council GA	
	guidelines shall	guidelines shall		

725.	(a) ensure that they provide	(a) ensure that they provide	Maintain Council GA
	the minimum degree of	the minimum degree of	
	harmonisation required to	harmonisation required to	
	achieve the aims of this	achieve the aims of this	
	Regulation;	Regulation;	
726.	(b) take into account, where	(b) take into account, where	Maintain Council GA
	appropriate, regional	appropriate, regional	
	specificities;	specificities;	
727.	(c) not go beyond what is	(c) not go beyond what is	Maintain Council GA
	necessary for that purpose; and	necessary for that purpose; and	
728.	(d) be without prejudice to	(d) be without prejudice to	Maintain Council GA
	the Member States' right to	the Member States' right to	
	establish national network codes	establish national network codes	
	which do not affect cross-border	which do not affect cross []	
	trade.	zonal trade.	
729.			Clarification of applicability to third countries,
			following the discussion on the definition of
			"interconnector" in article 2(33) of the
			Electricity Directive (see document 7506/1/18
			REV 1)
			3. Network codes and guidelines adopted
			pursuant to this Article may provide for
			conditions and procedures for their
			application in relation to one or more third
			countries.

<i>730</i> .	Article 55 Establishment of network codes		
731.	1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the establishment of network codes in the following areas:	1. The Commission is empowered to adopt [] implementing acts in accordance with Article [] 62(2) in order to ensure uniform conditions for the implementation of this Regulation by establishing [] network codes in the following areas:	

732.	(a) network security and	(a) network security and
	reliability rules including rules	reliability rules including rules
	for technical transmission	for technical transmission
	reserve capacity for operational	reserve capacity for operational
	network security;	network security including
		system states, remedial actions
		and operational security
		limits, voltage control and
		reactive power management,
		short-circuit current
		management, power flow
		management, contingency
		analysis and handling,
		protection equipment and
		schemes, data exchange,
		compliance, training,
		operational planning and
		security analysis, regional
		operational security
		coordination, outage
		coordination, availability plans
		of relevant assets, adequacy
		analysis, ancillary services,
		scheduling, and operational
		planning data environments;

733. (b) network connect	etion rules:	(b) network connection rules
733. (b) Hetwork connec	tion rules,	including 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,
		requirements for high-voltage
		direct current grid 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;
734. (c) third-party acce		(c) third-party access rules;
735. (d) data exchange a	and	(d) data exchange and
settlement rules;		settlement rules;
736. (e) interoperability	rules;	(e) interoperability rules;
737. (f) operational prod	cedures in	(f) operational procedures in
an emergency;		an emergency including system
		defence plans, restoration
		plans, market interactions,
		information exchange and
		communication and tools and
		facilities;

738.	(g) capacity-allocation and	(g) capacity-allocation and
	congestion-management rules	congestion-management rules [
	including curtailment of	including day ahead,
	generation and redispatch of	intraday and forward capacity
	generation and demand;	calculation methodologies and
		processes, grid models,
		bidding zone configuration,
		redispatching and
		countertrading, trading
		algorithms, single day-ahead
		and intraday coupling,
		firmness of allocated cross-
		zonal capacity, congestion
		income distribution, cross-
		zonal transmission risk
		hedging, nomination
		procedures, and capacity
		allocation and congestion
		management cost recovery;
739.	(h) rules for trading related to	(h) rules for trading related to
	technical and operational	technical and operational
	provision of network access	provision of network access
	services and system balancing;	services and system balancing
		including functions and
		responsibilities, platforms for
		the exchange of balancing
		energy, gate closure times,
		requirements for standard and
		specific products, procurement
		of balancing services,
		allocation of cross-zonal
		capacity for the exchange of
		balancing services or sharing
		of reserves, settlement of
		balancing energy, settlement

743.	(l) energy efficiency		[]	
	regarding electricity networks;			
744.	(m) rules for non-		(m) rules for non-	
	discriminatory, transparent		discriminatory, transparent	
	provision of non-frequency		provision of non-frequency	
	ancillary services, including		ancillary services, including	
	steady state voltage control,		steady state voltage control,	
	inertia, fast reactive current		inertia, fast reactive current	
	injection, black-start capability;		injection, inertia for grid	
			stability, short circuit current,	
			black-start capability and island	
			operation capability;	
745.	. ,		[]	
	including aggregation, energy			
	storage, and demand curtailment			
	rules;			
746.	(o) cyber security rules; and		(o) sector-specific rules for	
			cyber security [] aspects of	
			cross-border electricity flows,	
			on common minimum	
			requirements, planning,	
			monitoring, reporting and	
			crisis management;	
747.	(1)	AM 180	[]	
	operational centres.	deleted		

- **748.** 2. The Commission shall, after consulting the Agency, the ENTSO for Electricity and the other relevant stakeholders. establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subjectmatter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission may require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.
- **AM 181**
- The Commission shall, after consulting the Agency, the ENTSO for Electricity, the EU DSO entity for electricity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission may require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.
- The Commission shall. after consulting the Agency, the ENTSO for Electricity, the EU **DSO Entity** and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and [] not primarily relevant for the transmission, the Commission may require the EU DSO entity in cooperation with [] the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.

749.	3. The Commission shall	3. The Commission shall
	request the Agency to submit to	request the Agency to submit to
	it within a reasonable period of	it within a reasonable period of
	time not exceeding six months a	time not exceeding six months a
	non-binding framework	non-binding framework
	guideline (framework guideline)	guideline (framework guideline)
	setting out clear and objective	setting out clear and objective
	principles for the development	principles for the development
	of network codes relating to the	of network codes relating to the
	areas identified in the priority	areas identified in the priority
	list. The request of the	list. The request of the
	Commission may include	Commission may include
	conditions which the framework	conditions which the framework
	guideline shall address. Each	guideline shall address. Each
	framework guideline shall	framework guideline shall
	contribute to market integration,	contribute to market integration,
	non-discrimination, effective	non-discrimination, effective
	competition, and the efficient	competition, and the efficient
	functioning of the market. Upon	functioning of the market. Upon
	a reasoned request from the	a reasoned request from the
	Agency, the Commission may	Agency, the Commission may
	extend that period.	extend that period.
750.	4. The Agency shall	4. The Agency shall
	formally consult the ENTSO for	formally consult the ENTSO for
	Electricity, the EU DSO entity,	Electricity, the EU DSO entity,
	and the other relevant	and the other relevant
	stakeholders in regard to the	stakeholders in regard to the
	framework guideline, during a	framework guideline, during a
	period of no less than two	period of no less than two
	months, in an open and	months, in an open and
	transparent manner.	transparent manner.

751.	5. The Agency shall submit	5. The Agency shall submit
	a non-binding framework	a non-binding framework
	guideline to the Commission	guideline to the Commission
	where requested to do so under	where requested to do so under
	paragraph 3. The Agency shall	paragraph 3. The Agency shall
	review the non-binding	review the non-binding
	framework guideline and re-	framework guideline and re-
	submit it to the Commission	submit it to the Commission
	where requested to do so under	where requested to do so under
	paragraph 6.	paragraph 6.
752.	6. If the Commission	6. If the Commission
	considers that the framework	considers that the framework
	guideline does not contribute to	guideline does not contribute to
	market integration, non-	market integration, non-
	discrimination, effective	discrimination, effective
	competition and the efficient	competition and the efficient
	functioning of the market, it	functioning of the market, it may
	may request the Agency to	request the Agency to review the
	review the framework guideline	framework guideline within a
	within a reasonable period of	reasonable period of time and re-
	time and re-submit it to the	submit it to the Commission.
	Commission.	
753.	7. If the Agency fails to	7. If the Agency fails to
	submit or re-submit a	submit or re-submit a framework
	framework guideline within the	guideline within the period set
	period set by the Commission	by the Commission under
	under paragraphs 3 or 6, the	paragraphs 3 or 6, the
	Commission shall elaborate the	Commission shall elaborate the
	framework guideline in	framework guideline in
	question.	question.

754.	8. The Commission shall	8. The Commission shall	
	request the ENTSO for	request the ENTSO for	
	Electricity or, where so decided	Electricity or, where so decided	
	in the priority list pursuant to	in the priority list pursuant to	
	paragraph 2, the EU DSO entity	paragraph 2, the EU DSO entity	
	for Electricity, to submit a	[] in co-operation with the	
	proposal for a network code	ENTSO for Electricity, to	
	which is in line with the relevant	submit a proposal for a network	
	framework guideline, to the	code which is in line with the	
	Agency within a reasonable	relevant framework guideline, to	
	period of time not exceeding 12	the Agency within a reasonable	
	months.	period of time not exceeding 12	
		months.	
755.		9. The ENTSO for	
	Electricity, or where so decided	Electricity, or where so decided	
	in the priority list pursuant to	in the priority list pursuant to	
	paragraph 2, the EU DSO entity,	paragraph 2, the EU DSO entity,	
	shall convene a drafting	shall convene a drafting	
	committee to support it in the	committee to support it in the	
	network code development	network code development	
	process. The drafting committee	process. The drafting committee	
	shall consist of representatives	shall consist of representatives	
	of the ENTSO for Electricity,	of the ENTSO for Electricity,	
	the Agency, the EU DSO entity,	the Agency, where appropriate	
	where appropriate of nominated	of the EU DSO entity, where	
	electricity market operators and	appropriate of nominated	
	a limited number of the main	electricity market operators and	
	affected stakeholders.The	a limited number of the main	
	ENTSO for Electricity or where	affected stakeholders. The	
	so decided in the priority list	ENTSO for Electricity or where	
	pursuant to paragraph 2 the EU	so decided in the priority list	
	DSO entity, shall elaborate	pursuant to paragraph 2 the EU	
	proposals for network codes in	DSO entity, in co-operation	
	the areas referred to in	with the ENTSO for	
	paragraph 1 upon a request	Electricity shall elaborate	
	addressed to it by the	proposals for network codes in	

	Commission in accordance with	the areas referred to in paragraph	
	paragraph 8.	1 upon a request addressed to it	
		by the Commission in	
		accordance with paragraph 8.	
756.	10. The Agency shall revise	10. The Agency shall revise	
	the network code and ensure that	the network code and ensure that	
	the network code is in line with	the network code is in line with	
	the relevant framework	the relevant framework	
	guideline and contributes to	guideline and contributes to	
	market integration, non-	market integration, non-	
	discrimination, effective	discrimination, effective	
	competition, and the efficient	competition, and the efficient	
	functioning of the market and,	functioning of the market and	
	submit the revised network code	submit the revised network code	
	to the Commission within six	to the Commission within six	
	months of the day of the receipt	months of the day of the receipt	
	of the proposal. In the proposal	of the proposal . In the proposal	
	submitted to the Commission,	submitted to the Commission,	
	the Agency shall take into	the Agency shall take into	
	account the views provided by	account the views provided by	
	all involved parties during the	all involved parties during the	
	drafting of the proposal led by	drafting of the proposal led by	
	the ENTSO for Electricity or the	the ENTSO for Electricity or the	
	EU DSO entity and shall	EU DSO entity and shall	
	formally consult the relevant	formally consult the relevant	
	stakeholders on the version to be	stakeholders on the version to be	
	submitted to the Commission.	submitted to the Commission.	

757.	11. Where the ENTSO for	11. Where the ENTSO for
	Electricity or the EU DSO entity	Electricity or the EU DSO entity
	have failed to develop a network	have failed to develop a network
	code within the period of time	code within the period of time
	set by the Commission under	set by the Commission under
	paragraph 8, the Commission	paragraph 8, the Commission
	may request the Agency to	may request the Agency to
	prepare a draft network code on	prepare a draft network code on
	the basis of the relevant	the basis of the relevant
	framework guideline. The	framework guideline. The
	Agency may launch a further	Agency may launch a further
	consultation in the course of	consultation in the course of
	preparing a draft network code	preparing a draft network code
	under this paragraph. The	under this paragraph. The
	Agency shall submit a draft	Agency shall submit a draft
	network code prepared under	network code prepared under
	this paragraph to the	this paragraph to the
	Commission and may	Commission and may
	recommend that it be adopted.	recommend that it be adopted.
758.	12. The Commission may	12. The Commission may
	adopt, on its own initiative,	adopt, on its own initiative,
	where the ENTSO for	where the ENTSO for Electricity
	Electricity or the EU DSO entity	or the EU DSO entity have
	have failed to develop a network	failed to develop a network
	code, or the Agency has failed to	code, or the Agency has failed to
	develop a draft network code as	develop a draft network code as
	referred to in paragraph 11 of	referred to in paragraph 11 of
	this Article, or upon	this Article, or upon
	recommendation of the Agency	recommendation of the Agency
	under paragraph 10 of this	under paragraph 10 of this
	Article, one or more network	Article, one or more network
	codes in the areas listed in	codes in the areas listed in
	paragraph 1.	paragraph 1.

759.	13. Where the Commission	13. Where the Commission
	proposes to adopt a network	proposes to adopt a network
	code on its own initiative, the	code on its own initiative, the
	Commission shall consult the	Commission shall consult the
	Agency, the ENTSO for	Agency, the ENTSO for
	Electricity and all relevant	Electricity and all relevant
	stakeholders in regard to the	stakeholders in regard to the
	draft network code during a	draft network code during a
	period of no less than two	period of no less than two
	months.	months.
760.	14. This Article shall be	14. This Article shall be
	without prejudice to the	without prejudice to the
	Commission's right to adopt and	Commission's right to adopt and
	amend the guidelines as laid	amend the guidelines as laid
	down in Article 57. It shall be	down in Article 57. It shall be
	without prejudice to the	without prejudice to the
	possibility for the ENTSO for	possibility for the ENTSO for
	Electricity to develop non-	Electricity to develop non-
	binding guidance in the areas set	binding guidance in the areas set
	out in paragraph 1 where this	out in paragraph 1 where this
	does not relate to areas covered	does not relate to areas covered
	by a request addressed to it by	by a request addressed to it by
	the Commission. This guidance	the Commission. This
	shall be submitted to the Agency	guidance shall be submitted to
	for an opinion. This opinion	the Agency for an opinion. This
	shall be taken duly into account	opinion shall be taken duly into
	by the ENTSO for Electricity.	account by the ENTSO for
		Electricity.

761.		Article 56 Amendments of network codes		
762.	1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the amendment of network codes following the procedure under Article 55. Amendments can also be proposed by the Agency under the procedure set out in paragraphs 2 to 4 of this Article.		1. Until 31 December 2025 the Commission is empowered to adopt [] implementing acts in accordance with Article [] 62(2) concerning the amendment of network codes within the areas listed in Article 55(1) and following the procedure under Article 55. []	
763.	2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, transmission system operators, system users and consumers. The Agency may also propose amendments on its own initiative.	AM 182 2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, transmission <i>and distribution</i> system operators, system users and consumers. The Agency may also propose amendments on its own initiative.	2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, regulatory authorities distribution and transmission system operators, system users and consumers. The Agency may also propose amendments on its own initiative.	

764	2 The Account was 1	2 The Agency may make	2 Tl A
764.	ی ع	3. The Agency may make	
	reasoned proposals for	reasoned proposals for	
	amendments to the Commission,	amendments to the Commission	
	explaining how such proposals	explaining how such proposals	explaining how such
	are consistent with the	are consistent with the	are consistent with th
	objectives of the network codes	objectives of the network codes	objectives of the netw
	set out in Article 55(2). Where it	set out in Article 55(2). Where	
	deems an amendment proposal	it deems an amendment proposal	it deems an amendme
	admissible and on amendments	admissible and on amendments	admissible and on am
	on its own initiative, the Agency	on its own initiative, the Agency	on its own initiative,
	shall consult all stakeholders in	shall consult all stakeholders in	shall consult all stake
	accordance with Article 15	accordance with Article 15	accordance with Artic
	[recast of Regulation (EC) No	[recast of Regulation (EC) No	[recast of Regulation
	713/2009 as proposed by	713/2009 as proposed by	713/2009 as proposed
	COM(2016) 863/2].	COM(2016) 863/2].	COM(2016) 863/2].
765.	4. The Commission is	4. Until 31 December 2025	4. Until 31 Decer
	empowered to adopt, taking	the Commission is empowered	the Commission is en
	account of the Agency's	to adopt, taking account of the	to adopt, taking accou
	proposals, amendments to any	Agency's proposals,	Agency's proposals,
	network code adopted under	amendments to any network	amendments to any n
	Article 55 6 as delegated acts in	code adopted under Article 55 as	code adopted under A
	accordance with Article 63.	[] implementing acts in	[] implementing ac
		accordance with Article []	accordance with Artic
		62(2).	

766.	5. Consideration of proposed amendments under the procedure set out in Article 63 shall be limited to consideration of the aspects related to the proposed amendment. Those proposed amendments are without prejudice to other amendments which the Commission may propose.		
767.		AM 183 Article 56 a (new) Article 56 a By 31 December 2022 the Commission shall assess the existing implementing acts containing network codes and guidelines in order to evaluate which of their elements could be usefully enshrined in legislative acts of the Union concerning the internal electricity market. The Commission shall submit a detailed report of its assessment to the European Parliament and to the Council. That report shall be accompanied, where appropriate, by legislative proposals following up on the Commission's assessment.	

<i>768</i> .		Article 57
		Guidelines
769.	1. The Commission may adopt binding guidelines in the areas listed below.	1. Until 31 December 2025 the Commission may adopt binding guidelines by in the areas listed below. Those guidelines shall be adopted as implementing acts in accordance with the examination procedure referred to in Article 62(2).
770.	2. The Commission may adopt a delegated act as a Guideline in the areas where such acts could also be developed under the network code procedure pursuant to Article 55 (1).	2. Until 31 December 2025 the Commission may adopt [] implementing acts as a Guideline in the areas where such acts could also be developed under the network code procedure pursuant to Article 55 (1).
771.	3. Guidelines may be adopted relating to the intertransmission system operator compensation mechanism. They shall specify, in accordance with the principles set out in Articles 46 and 16:	3. Guidelines may be adopted relating to the intertransmission system operator compensation mechanism. They shall specify, in accordance with the principles set out in Articles 46 and 16:

772.	(a) details of the procedure	(a) details of the procedure
	for determining which	for determining which
	transmission system operators	transmission system operators
	are liable to pay compensation	are liable to pay compensation
	for cross-border flows including	for cross-border flows including
	as regards the split between the	as regards the split between the
	operators of national	operators of national
	transmission systems from	transmission systems from
	which cross-border flows	which cross-border flows
	originate and the systems where	originate and the systems where
	those flows end, in accordance	those flows end, in accordance
	with Article 46(2);	with Article 46(2);
773.	(b) details of the payment	(b) details of the payment
	procedure to be followed,	procedure to be followed,
	including the determination of	including the determination of
	the first period for which	the first period for which
	compensation is to be paid, in	compensation is to be paid, in
	accordance with the second	accordance with the second
	subparagraph of Article 46(3);	subparagraph of Article 46(3);
774.	(c) details of methodologies	(c) details of methodologies
	for determining the cross-border	for determining the cross-border
	flows hosted for which	flows hosted for which
	compensation is to be paid	compensation is to be paid under
	under Article 46, in terms of	Article 46, in terms of both
	both quantity and type of flows,	quantity and type of flows, and
	and the designation of the	the designation of the
	magnitudes of such flows as	magnitudes of such flows as
	originating and/or ending in	originating and/or ending in
	transmission systems of	transmission systems of
	individual Member States, in	individual Member States, in
	accordance with Article 46(5);	accordance with Article 46(5);

775.	(d) details of the	(d) details of the	
	methodology for determining	methodology for determining the	e
	the costs and benefits incurred	costs and benefits incurred as a	
	as a result of hosting cross-	result of hosting cross-border	
	border flows, in accordance with	flows, in accordance with	
	Article 46(6);	Article 46(6);	
776.	(e) details of the treatment in	(e) details of the treatment in	
	the context of the inter-	the context of the inter-	
	transmission system operator	transmission system operator	
	compensation mechanism of	compensation mechanism of	
	electricity flows originating or	electricity flows originating or	
	ending in countries outside the	ending in countries outside the	
	European Economic Area; and	European Economic Area; and	
777.	(f) the participation of	(f) the participation of	
	national systems which are	national systems which are	
	interconnected through direct	interconnected through direct	
	current lines, in accordance with	current lines, in accordance wit	ı
	Article 46.	Article 46.	

770	4. Guidelines may also	1	Cycledinas may also	
778.	,	4.	Guidelines may also	
	determine appropriate rules		mine appropriate rules	
	relating to charges applied to		ng to charges applied to	
	producers, energy storage and		icers, energy storage and	
	customers (load) under national		mers (load) under national	
	distribution and transmission		ansmission tariff systems [
	tariff systems and connection		luding the reflection of the	
	regimes, including the reflection	inter-	transmission system	
	of the inter-transmission system	opera	tor compensation	
	operator compensation	mech	anism in national network	
	mechanism in national network	charg	es and the provision of	
	charges and the provision of		priate and efficient	
	appropriate and efficient	locati	onal signals, in accordance	
	locational signals, in accordance		the principles set out in	
	with the principles set out in	Artic		
	Article 16.			
779.	The guidelines may make	The g	guidelines may make	
	provision for appropriate and		sion for appropriate and	
	efficient harmonised locational		ent harmonised locational	
	signals at Union level.	signa	ls at Union level.	
780.			such harmonisation shall	
	not prevent Member States from		revent Member States from	
	applying mechanisms to ensure		ing mechanisms to ensure	
	that network access charges		etwork access charges	
	borne by customers (load) are		by customers (load) are	
	comparable throughout their		arable throughout their	
	territory.	territe		

781.	5. Where appropriate,	5. Where appropriate,
	guidelines providing the	guidelines providing the
	minimum degree of	minimum degree of
	harmonisation required to	harmonisation required to
	achieve the aim of this	achieve the aim of this
	Regulation may also specify:	Regulation may also specify:
782.	(a) details of rules for the	(a) details of rules for the
	trading of electricity;	trading of electricity;(b) details
		of investment incentive rules for
		interconnector capacity
		including locational signals;
783.	(b) details of investment	(b) details of investment
	incentive rules for	incentive rules for
	interconnector capacity	interconnector capacity
	including locational signals;	including locational signals;
784.	6. The Commission may	6. The Commission may
	adopt guidelines on the	adopt guidelines on the
	implementation of operational	implementation of operational
	coordination between	coordination between
	transmission system operators at	transmission system operators at
	Union level. Those guidelines	Union level. Those guidelines
	shall be consistent with and	shall be consistent with and
	build upon the network codes	build upon the network codes
	referred to in Article 55 of this	referred to in Article 55 of this
	Regulation and build upon the	Regulation and build upon the
	adopted specifications referred	adopted specifications referred
	to in Article 27(1)(g) of this	to in Article 27(1)(g) of this
	Regulation. When adopting	Regulation. When adopting
	those guidelines, the	those guidelines, the
	Commission shall take into	Commission shall take into
	account differing regional and	account differing regional and
	national operational	national operational
	requirements.	requirements.

785.	Those guidelines shall be		[Those guidelines shall be	
	adopted in accordance with the		adopted in accordance with the	
	examination procedure referred		examination procedure referred	
	to in Article 62(2).		to in Article 62(2).]	
786.	7. When adopting or	AM 184	7. When adopting or	
	amending guidelines, the	7. When adopting or amending	amending guidelines, the	
	Commission shall consult the	guidelines, the Commission shall	Commission shall consult the	
	Agency, the ENTSO for	consult the Agency, the ENTSO for	Agency, the ENTSO for	
	Electricity and other	Electricity, <i>the EU DSO entity</i> and	Electricity, the EU DSO Entity	
	stakeholders where relevant.	other stakeholders where relevant.	and other stakeholders where	
			relevant.	
<i>787</i> .			Article 58	
		Right of Member States t	o provide for more detailed measur	es
788.	This Regulation shall be without		This Regulation shall be without	
	prejudice to the rights of		prejudice to the rights of	
	Member States to maintain or		Member States to maintain or	
	introduce measures that contain		introduce measures that contain	
	more detailed provisions than		more detailed provisions than	
	those set out in this Regulation,		those set out in this Regulation,	
	in the guidelines referred to in		in the guidelines referred to in	
	Article 57 or in the network		Article 57 or in the network	
	codes referred to in Article 55,		codes referred to in Article 55,	
	provided those measures do not		provided those measures do not [
	endanger the effectiveness of] contradict of Union	
	Union legislation.		legislation.	

700	-	4 / 1 / 6	
789.	•	Article 58a	
		By 31 December 2023 the	
		Commission shall assess the	
		existing implementing acts	
		containing network codes and	
		guidelines in order to evaluate	
		which of their elements could	
		be usefully enshrined in	
		legislative acts of the Union	
		concerning the internal	
		electricity market and how the	
		empowerments for network	
		codes and guidelines pursuant	
		to Articles 55 and 57 could be	
		revised. The Commission shall	
		submit a detailed report of its	
		assessment to the European	
		Parliament and the Council.	
		That report shall be	
		accompanied, where	
		appropriate, by legislative	
		proposals following up on the	
		Commission's assessment.	

790.	Chapter VIII Final provisions		
<i>791</i> .		Article 59	
/91.		New interconnectors	
792.	1. New direct current interconnectors may, upon request, be exempted, for a limited period of time, from the provisions of Article 17(2) of this Regulation and Articles 6, 43 59(6) and 60(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] under the following conditions:	1. New direct current interconnectors may, upon request, be exempted, for a limited period of time, from the provisions of Article 17(2) of this Regulation and Articles 6, 43, 59(6) and 60(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] under the following conditions:	
793.	(a) the investment must enhance competition in electricity supply;	(a) the investment must enhance competition in electricity supply;	
794.	(b) the level of risk attached to the investment is such that the investment would not take place unless an exemption is granted;	(b) the level of risk attached to the investment is such that the investment would not take place unless an exemption is granted;	
795.	(c) the interconnector must be owned by a natural or legal person which is separate at least in terms of its legal form from the system operators in whose systems that interconnector will be built;	(c) the interconnector must be owned by a natural or legal person which is separate at least in terms of its legal form from the system operators in whose systems that interconnector will be built;	
796.	(d) charges are levied on users of that interconnector;	(d) charges are levied on users of that interconnector;	

797.	(e) since the partial market	(e) since the partial	market
	opening referred to in Article 19	opening referred to in A	Article 19
	of Directive 96/92/EC of the	of Directive 96/92/EC	of the
	European Parliament and of the	European Parliament a	nd of the
	Council ²⁶ , no part of the capital	Council ²⁷ , no part of the	ne capital
	or operating costs of the	or operating costs of th	e
	interconnector has been	interconnector has been	n e e e e e e e e e e e e e e e e e e e
	recovered from any component	recovered from any con	nponent
	of charges made for the use of	of charges made for the	e use of
	transmission or distribution	transmission or distribu	ition
	systems linked by the	systems linked by the	
	interconnector; and	interconnector; and	
798.	(f) the exemption must not be	(f) the exemption m	ust not be
	to the detriment of competition	to the detriment of com	petition
	or the effective functioning of	or the effective function	ning of
	the internal market in electricity,	the internal market in e	lectricity,
	or the efficient functioning of	or the efficient function	
	the regulated system to which	the regulated system to	
	the interconnector is linked.	the interconnector is lin	ıked.

Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity (OJ L 27, 30.1.1997, p. 20).

Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity (OJ L 27, 30.1.1997, p. 20).

799.	2. Paragraph 1 shall also	2. Paragraph 1 shall also
	apply, in exceptional cases, to	apply, in exceptional cases, to
	alternating current	alternating current
	interconnectors provided that the	interconnectors provided that the
	costs and risks of the investment	costs and risks of the investment
	in question are particularly high	in question are particularly high
	when compared with the costs	when compared with the costs
	and risks normally incurred	and risks normally incurred
	when connecting two	when connecting two
	neighbouring national	neighbouring national
	transmission systems by an	transmission systems by an
	alternating current	alternating current
	interconnector.	interconnector.
800.	\mathcal{E}_{-1}	3. Paragraph 1 shall also
	apply to significant increases of	apply to significant increases of
	capacity in existing	capacity in existing
	interconnectors.	interconnectors.
801.	4. The decision on the	4. The decision on the
	exemption under paragraphs 1, 2	exemption under paragraphs 1, 2
	and 3 shall be taken on a case-	and 3 shall be taken on a case-
	by-case basis by the regulatory	by-case basis by the regulatory
	authorities of the Member States	authorities of the Member States
	concerned. An exemption may	concerned. An exemption may
	cover all or part of the capacity	cover all or part of the capacity
	of the new interconnector, or of	of the new interconnector, or of
	the existing interconnector with	the existing interconnector with
	significantly increased capacity.	significantly increased capacity.

802.	Within two months from the	Within two months from the	
	date on which the request for	date on which the request for	
	exemption was received by the	exemption was received by the	
	last of the regulatory authorities	last of the regulatory authorities	
	concerned, the Agency may	concerned, the Agency may	
	submit an advisory opinion to	submit an advisory opinion to	
	those regulatory authorities	those regulatory authorities	
	which could provide a basis for	which could provide a basis for	
	their decision.	their decision.	
803.	In deciding to grant an	In deciding to grant an	
	exemption, consideration shall	exemption, consideration shall	
	be given, on a case-by-case	be given, on a case-by-case	
	basis, to the need to impose	basis, to the need to impose	
	conditions regarding the	conditions regarding the	
	duration of the exemption and	duration of the exemption and	
	non-discriminatory access to the	non-discriminatory access to the	
	interconnector. When deciding	interconnector. When deciding	
	those conditions, account shall,	those conditions, account shall,	
	in particular, be taken of	in particular, be taken of	
	additional capacity to be built or	additional capacity to be built or	
	the modification of existing	the modification of existing	
	capacity, the time-frame of the	capacity, the time-frame of the	
	project and national	project and national	
	circumstances.	circumstances.	

804.	Before granting an exemption,	Before granting an exemption,
004.	the regulatory authorities of the	the regulatory authorities of the
	Member States concerned shall	Member States concerned shall
	decide upon the rules and	decide upon the rules and
	mechanisms for management	mechanisms for management
	and allocation of capacity.	and allocation of capacity.
		<u>*</u> *
	Congestion-management rules	Congestion-management rules
	shall include the obligation to	shall include the obligation to
	offer unused capacity on the	offer unused capacity on the
	market and users of the facility	market and users of the facility
	shall be entitled to trade their	shall be entitled to trade their
	contracted capacities on the	contracted capacities on the
	secondary market. In the	secondary market. In the
	assessment of the criteria	assessment of the criteria
	referred to in points (a), (b) and	referred to in points (a), (b) and
	(f) of paragraph 1, the results of	(f) of paragraph 1, the results of
	the capacity-allocation	the capacity-allocation
	procedure shall be taken into	procedure shall be taken into
	account.	account.
805.	Where all the regulatory	Where all the regulatory
	authorities concerned have	authorities concerned have
	reached agreement on the	reached agreement on the
	exemption decision within six	exemption decision within six
	months, they shall inform the	months, they shall inform the
	Agency of that decision.	Agency of that decision.
806.	The exemption decision,	The exemption decision,
	including any conditions	including any conditions
	referred to in the second	referred to in the second
	subparagraph of this paragraph,	subparagraph of this paragraph,
	shall be duly reasoned and	shall be duly reasoned and
	published.	published.

807.	5. The decision referred to in	5. The decision referred to in
	paragraph 4 shall be taken by	paragraph 4 shall be taken by the
	the Agency:	Agency:
808.	(a) where all the regulatory	(a) where all the regulatory
	authorities concerned have not	authorities concerned have not
	been able to reach an agreement	been able to reach an agreement
	within six months from the date	within six months from the date
	the exemption was requested	the exemption was requested
	before the last of those	before the last of those
	regulatory authorities; or	regulatory authorities; or
809.	(b) upon a joint request from	(b) upon a joint request from
	the regulatory authorities	the regulatory authorities
	concerned.	concerned.
	Before taking such a decision,	Before taking such a decision,
	the Agency shall consult the	the Agency shall consult the
	regulatory authorities concerned	regulatory authorities concerned
	and the applicants.	and the applicants.
810.	6. Notwithstanding	6. Notwithstanding
	paragraphs 4 and 5, Member	paragraphs 4 and 5, Member
	States may provide for the	States may provide for the
	regulatory authority or the	regulatory authority or the
	Agency, as the case may be, to	Agency, as the case may be, to
	submit, for formal decision, to	submit, for formal decision, to
	the relevant body in the Member	the relevant body in the Member
	State, its opinion on the request	State, its opinion on the request
	for an exemption. That opinion	for an exemption. That opinion
	shall be published together with	shall be published together with
	the decision.	the decision.

811.	7. A copy of every request	7. A copy of every request
	for exemption shall be	for exemption shall be
	transmitted for information	transmitted for information
	without delay by the regulatory	without delay by the regulatory
	authorities to the Agency and to	authorities to the Agency and to
	the Commission on receipt. The	the Commission on receipt. The
	decision shall be notified,	decision shall be notified,
	without delay, by the regulatory	without delay, by the regulatory
	authorities concerned or by the	authorities concerned or by the
	Agency (notifying bodies), to	Agency (notifying bodies), to
	the Commission, together with	the Commission, together with
	all the relevant information with	all the relevant information with
	respect to the decision. That	respect to the decision. That
	information may be submitted to	information may be submitted to
	the Commission in aggregate	the Commission in aggregate
	form, enabling the Commission	form, enabling the Commission
	to reach a well-founded	to reach a well-founded
	decision. In particular, the	decision. In particular, the
	information shall contain:	information shall contain:

013	() 1 1 1 1 1	() 4 1 (1 1 4	
812.	()	(a) the detailed reasons on the	
	basis of which the exemption	basis of which the exemption	
	was granted or refused,	was granted or refused,	
	including the financial	including the financial	
	information justifying the need	information justifying the need	
	for the exemption;	for the exemption;	
813.	(b) the analysis undertaken of	(b) the analysis undertaken of	
	the effect on competition and the	the effect on competition and the	
	effective functioning of the	effective functioning of the	
	internal market in electricity	internal market in electricity	
	resulting from the grant of the	resulting from the grant of the	
	exemption;	exemption;	
814.	(c) the reasons for the time	(c) the reasons for the time	
	period and the share of the total	period and the share of the total	
	capacity of the interconnector in	capacity of the interconnector in	
	question for which the	question for which the	
	exemption is granted; and	exemption is granted; and	
815.	(d) the result of the	(d) the result of the	
	consultation of the regulatory	consultation of the regulatory	
	authorities concerned.	authorities concerned.	

816.	8. Within a period of 50		
	working days from the day		
	following receipt of notification		
	under paragraph 7, the		
	Commission may take a		
	decision requesting the notifying		
	bodies to amend or withdraw the		
	decision to grant an exemption.		
	That period of 50 working days		
	may be extended by an		
	additional period of 50 working		
	days where further information		
	is sought by the Commission.		
	That additional period shall		
	begin on the day following		
	receipt of the complete		
	information. The initial period		
	may also be extended by consent		
	of both the Commission and the		
	notifying bodies.		

8. Within a period of 50 working days from the day following receipt of notification under paragraph 7, the Commission may take a decision requesting the notifying bodies to amend or withdraw the decision to grant an exemption. That period of 50 working days may be extended by an additional period of 50 working days where further information is sought by the Commission. That additional period shall begin on the day following receipt of the complete information. The initial period may also be extended by consent of both the Commission and the notifying bodies.

817.	When the requested information	When the requested information	
	is not provided within the period	is not provided within the period	
	set out in the request, the	set out in the request, the	
	notification shall be deemed to	notification shall be deemed to	
	be withdrawn unless, before the	be withdrawn unless, before the	
	expiry of that period, either the	expiry of that period, either the	
	period is extended by consent of	period is extended by consent of	
	both the Commission and the	both the Commission and the	
	notifying bodies, or the	notifying bodies, or the notifying	
	notifying bodies, in a duly	bodies, in a duly reasoned	
	reasoned statement, inform the	statement, inform the	
	Commission that they consider	Commission that they consider	
	the notification to be complete.	the notification to be complete.	
818.	The notifying bodies shall	The notifying bodies shall	
	comply with a Commission	comply with a Commission	
	decision to amend or withdraw	decision to amend or withdraw	
	the exemption decision within	the exemption decision within	
	one month and shall inform the	one month and shall inform the	
	Commission accordingly.	Commission accordingly.	
819.	The Commission shall preserve	The Commission shall preserve	
	the confidentiality of	the confidentiality of	
	commercially sensitive	commercially sensitive	
	information.	information.	
820.	The Commission's approval of	The Commission's approval of	
	an exemption decision shall	an exemption decision shall	
	expire two years after the date of	expire two years after the date of	
	its adoption in the event that	its adoption in the event that	
	construction of the	construction of the	
	interconnector has not yet	interconnector has not yet	
	started by that date, and five	started by that date, and five	
	years after the date of its	years after the date of its	
	adoption if the interconnector	adoption if the interconnector	
	has not become operational by	has not become operational by	
	that date, unless the	that date, unless the Commission	
	Commission decides, on the	decides, on the basis of a	

	basis of a reasoned request by	reasoned request by the	
	the notifying bodies, that any	notifying bodies, that any delay	
	delay is due to major obstacles	is due to major obstacles beyond	
	beyond the control of the person	the control of the person to	
	to whom the exemption has	whom the exemption has been	
	been granted.	granted.	
821.	9. Where the regulatory	Where the regulatory authorities	
	authorities of the Member States	of the Member States concerned	
	concerned decide to modify a	decide to modify a decision	
	decision under paragraph 1, they	under paragraph 1, they shall	
	shall notify this decision without	notify this decision without	
	delay to the Commission,	delay to the Commission,	
	together with all the relevant	together with all the relevant	
	information with respect to the	information with respect to the	
	decision. Paragraphs 1 to 8 shall	decision. Paragraphs 1 to 8 shall	
	apply to this notified decision,	apply to this notified decision,	
	taking into account the	taking into account the	
	particularities of the existing	particularities of the existing	
	exemption.	exemption.	
822.	10. The Commission may,	The Commission may, upon	
	upon request or on its own	request or on its own initiative,	
	initiative, reopen the	reopen the proceedings:	
	proceedings:	-	
823.	(a) where, taking due	(a) where, taking due	
	consideration of legitimate	consideration of legitimate	
	expectations by the parties and	expectations by the parties and	
	of the economic balance	of the economic balance	
	achieved in the original	achieved in the original	
	exemption decision, there has	exemption decision, there has	
	been a material change in any of	been a material change in any of	
	the facts on which the decision	the facts on which the decision	
	was based;	was based;	

824.	(b) where the undertakings	(b) where the undertakings
	concerned act contrary to their	concerned act contrary to their
	commitments; or	commitments; or
825.	(c) where the decision was	(c) where the decision was
	based on incomplete, incorrect	based on incomplete, incorrect
	or misleading information	or misleading information
	provided by the parties.	provided by the parties.
826.	11. The Commission is	11. The Commission is
	empowered to adopt delegated	empowered to adopt delegated
	acts in accordance with Article	acts in accordance with Article
	63 concerning the adoption of	63 concerning the adoption of
	guidelines for the application of	guidelines for the application of
	the conditions laid down in	the conditions laid down in
	paragraph 1 of this Article and	paragraph 1 of this Article and
	to set out the procedure to be	to set out the procedure to be
	followed for the application of	followed for the application of
	paragraphs 4, 7 8, 9 and 10 of	paragraphs 4, 7, 8, 9 and 10 of
	this Article.	this Article.
827.		Article 59a
		Derogations
828.		1. Member States may
		apply for derogations from the
		relevant provisions of Articles
		3, 5, 6 (1), 7 (1) and (4), 8 to 10,
		13 to 15, 17 to 22, 23 (1), (2),
		(4) (5) and (5a), 24, 32 to 44
		and 48 in the following cases:

829.	(a) the Member State can
	demonstrate that there are
	substantial problems for the
	operation of their small
	isolated and connected
	systems. In this case, the
	derogation shall be limited in
	time and subject to conditions
	aiming at increased
	competition and integration
	with the internal market.
830.	(b) for outermost regions
	within the meaning of Article
	349 of TFEU, that cannot be
	interconnected with the
	European energy market for
	evident physical reasons. In
	this case, the derogation is not
	limited in time.

831.	In both cases, the derogation
	shall be subject to conditions
	aimed at ensuring that the
	derogation does not hamper
	the transition towards
	renewable energies.
832.	When granting a derogation,
	the Commission shall reflect in
	its decision to which extent the
	derogations must take into
	account the application of the
	network codes and guidelines.
833.	If a derogation is granted, the
	Commission shall inform the
	Member States of those
	applications before taking a
	decision, taking into account
	respect for confidentiality.
834.	2. Articles 3, 4, 5, 6 (1),
	(2)(c), (2)(h), 7 to 10, 12 to 15,
	17 to 22, 23 (1), (2), (5) and
	(5a), 23(4)(b), 24, 31(2), (3), 32
	to 44, 46 and 48 shall not apply
	to Cyprus until its
	transmission system becomes
	connected to other Member
	States' transmission systems
	via interconnections.
835.	If the transmission system of
	Cyprus is not connected to
	other Member States'
	transmission systems via
	interconnections by 1 January
	2026, Cyprus shall assess the
	need for derogation from those

	1	T		
			provisions and may submit a	
			request for continued	
			derogation to the Commission.	
			The Commission shall assess	
			whether the application of the	
			respective provisions risks	
			causing substantial problems	
			for the operation of the	
			electricity system in Cyprus or	
			whether their application in	
			Cyprus is expected to provide	
			benefits to market functioning.	
			On the basis of this	
			assessment, the Commission	
			shall issue a reasoned decision	
			on full or partial prolongation	
			of the derogation which shall	
			be published in the Official	
			Journal of the European	
			Union.	
836.			3. The provisions of the	
			Regulation shall not affect the	
			application of the derogations	
			pursuant to the [Electricity	
			Directive].	
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<i>837</i> .		Article 60
		Provision of information and confidentiality
838.	1. Member States and the	1. Member States and the
	regulatory authorities shall, on	regulatory authorities shall, on
	request, provide to the	request, provide to the
	Commission all information	Commission all information
	necessary for the purposes of	necessary for the purposes of
	enforcing the provisions of this	enforcing the provisions of this
	Regulation.	Regulation.
839.	The Commission shall fix a	The Commission shall fix a
	reasonable time limit within	reasonable time limit within
	which the information is to be	which the information is to be
	provided, taking into account the	provided, taking into account the
	complexity of the information	complexity of the information
	required and the urgency with	required and the urgency with
	which the information is needed.	which the information is needed.
840.	2. If the Member State or the	2. If the Member State or the
	regulatory authority concerned	regulatory authority concerned
	does not provide the information	does not provide the information
	referred to in paragraph 1 within	referred to in paragraph 1 within
	the given time-limit pursuant to	the given time-limit pursuant to
	paragraph 1 , the Commission	paragraph 1, the Commission
	may request all information	may request all information
	necessary for the purpose of	necessary for the purpose of
	enforcing the provisions of this	enforcing the provisions of this
	Regulation directly from the	Regulation directly from the
	undertakings concerned.	undertakings concerned.
841.	When sending a request for	When sending a request for
	information to an undertaking,	information to an undertaking,
	the Commission shall at the	the Commission shall at the
	same time forward a copy of the	same time forward a copy of the
	request to the regulatory	request to the regulatory
	authorities of the Member State	authorities of the Member State
	in whose territory the seat of the	in whose territory the seat of the
	undertaking is situated.	undertaking is situated.

842.	3. In its request for	3. In its request for
	information under paragraph 1,	information under paragraph 1,
	the Commission shall state the	the Commission shall state the
	legal basis of the request, the	legal basis of the request, the
	time-limit within which the	time-limit within which the
	information is to be provided,	information is to be provided,
	the purpose of the request, and	the purpose of the request, and
	the penalties provided for in	the penalties provided for in
	Article 61(2) for supplying	Article 61(2) for supplying
	incorrect, incomplete or	incorrect, incomplete or
	misleading information. The	misleading information. The
	Commission shall fix a	Commission shall fix a
	reasonable time-limit taking into	reasonable time-limit taking into
	account the complexity of the	account the complexity of the
	information required and the	information required and the
	urgency with which the	urgency with which the
	information is needed.	information is needed.
843.	4. The owners of the	4. The owners of the
	undertakings or their	undertakings or their
	representatives and, in the case	representatives and, in the case
	of legal persons, the persons	of legal persons, the persons
	authorised to represent them by	authorised to represent them by
	law or by their instrument of	law or by their instrument of
	incorporation, shall supply the	incorporation, shall supply the
	information requested. Where	information requested. Where
	lawyers duly authorised so to act	lawyers duly authorised so to act
	supply the information on behalf	supply the information on behalf
	of their clients, the client shall	of their clients, the client shall
	remain fully responsible in the	remain fully responsible in the
	event that the information	event that the information
	supplied is incomplete, incorrect	supplied is incomplete, incorrect
	or misleading.	or misleading.

844.	5. Where an undertaking	5. Where an undertaking
	does not provide the information	does not provide the information
	requested within the time-limit	requested within the time-limit
	fixed by the Commission or	fixed by the Commission or
	supplies incomplete	supplies incomplete information,
	information, the Commission	the Commission may by
	may by decision require the	decision require the information
	information to be provided. That	to be provided. That decision
	decision shall specify what	shall specify what information is
	information is required and fix	required and fix an appropriate
	an appropriate time-limit within	time-limit within which it is to
	which it is to be supplied. It	be supplied. It shall indicate the
	shall indicate the penalties	penalties provided for in Article
	provided for in Article 61(2). It	61(2). It shall also indicate the
	shall also indicate the right to	right to have the decision
	have the decision reviewed by	reviewed by the Court of Justice
	the Court of Justice of the	of the European Union.
	European Union .	
845.	The Commission shall, at the	The Commission shall, at the
	same time, send a copy of its	same time, send a copy of its
	decision to the regulatory	decision to the regulatory
	authorities of the Member State	authorities of the Member State
	within the territory of which the	within the territory of which the
	person is resident or the seat of	person is resident or the seat of
	the undertaking is situated.	the undertaking is situated.

846.	6. The information referred	6. The informati	on referred
	to in paragraphs 1 and 2 shall be	to in paragraphs 1 ar	nd 2 shall be
	used only for the purposes of	used only for the put	rposes of
	enforcing the provisions of this	enforcing the provis	
	Regulation.	Regulation.	
847.	The Commission shall not	The Commission sha	all not
	disclose information of the kind	disclose information	of the kind
	covered by the obligation of	covered by the oblig	ation of
	professional secrecy which is	professional secrecy	
	acquired pursuant to this	acquired pursuant to	
	Regulation.	Regulation.	
848.		Article 61	
070.		Penalties	
849.	1. Without prejudice to	1. Without preju	dice to
047.	paragraph 2, the Member States	paragraph 2, the Me	
	shall lay down rules on penalties	shall lay down rules	
	applicable to infringements of	applicable to infring	
	the provisions of this	the provisions of this	
	Regulation, the network codes	Regulation, the netw	
	adopted pursuant to Article 55,	adopted pursuant to	
	and the guidelines adopted	and the guidelines as	
	pursuant to Article 57 and shall	pursuant to Article 5	
	take all measures necessary to	take all measures ne	
	ensure that those provisions are	ensure that those pro	
	implemented. The penalties	implemented. The p	
	provided for must be effective,	provided for must be	,
	proportionate and dissuasive.	proportionate and di	
850.	3, 3	2. The Commiss	ion may, by
	decision, impose on	decision, impose on	
	undertakings fines not exceeding	undertakings fines n	
	1 % of the total turnover in the	1 % of the total turne	
	preceding business year where,	preceding business y	
	intentionally or negligently, they	intentionally or negl	
	supply incorrect, incomplete or	supply incorrect, inc	
	misleading information in	misleading informat	ion in

	response to a request made pursuant to Article 60(3) or fail to supply information within the time-limit fixed by a decision		response to a request made pursuant to Article 60(3) or fail to supply information within the time-limit fixed by a decision	
	adopted pursuant to the first subparagraph of Article 60(5). In setting the amount of a fine, the Commission shall have regard to the gravity of the failure to comply with the requirements of the first		adopted pursuant to the first subparagraph of Article 60(5). In setting the amount of a fine, the Commission shall have regard to the gravity of the failure to comply with the requirements of the first subparagraph.	
851.	subparagraph. 3. Penalties provided for pursuant to paragraph 1 and decisions taken pursuant to paragraph 2 shall not be of a criminal law nature.		3. Penalties provided for pursuant to paragraph 1 and decisions taken pursuant to paragraph 2 shall not be of a criminal law nature.	
<i>852</i> .		Com	Article 62 mittee procedure	
853.	1. The Commission shall be assisted by the committee set up by Article 68 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		1. The Commission shall be assisted by the committee set up by Article 68 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].	
854.	2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 of the European Parliament and of the Council ²⁸ shall apply.		2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 of the European Parliament and of the Council ²⁹ shall apply.	

Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

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<i>855.</i>		Article 63				
		Exercise of the delegation				
856.	1. The power to adopt	1. The power to adopt				
	delegated acts is conferred on	delegated acts is conferred on				
	the Commission subject to the	the Commission subject to the				
	conditions laid down in this	conditions laid down in this				
	Article.	Article.				
857.	2. The power to adopt	2. The power to adopt				
	delegated acts referred to in	delegated acts referred to in				
	Article 31(3), Article 46(4),	Article [] 46(4), [] and				
	Article 55(1), Article 56(1) and	Article 59(11) shall be conferred				
	(4), and Article 59(11) shall be	on the Commission for an				
	conferred on the Commission	undetermined period of time				
	for an undetermined period of	from the [OP: please insert the				
	time from the [OP: please insert	date of entry into force].				
	the date of entry into force].					

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Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

858.	3. The delegation of power	3. The delegation of power	
	referred to in Article 31(3),	referred to in [] Article 46(4),	
	Article 46(4), Article 55(1),	and Article 59(11) may be	
	Article 56(1) and (4), and	revoked at any time by the	
	Article 59(11) may be revoked	European Parliament or by the	
	at any time by the European	Council. A decision to revoke	
	Parliament or by the Council. A	shall put an end to the delegation	
	decision to revoke shall put an	of power specified in that	
	end to the delegation of power	decision. It shall take effect on	
	specified in that decision. It	the day following the	
	shall take effect on the day	publication of the decision in th	
	following the publication of the	Official Journal of the Europea	
	decision in the Official Journal	Union or at a later date specified	
	of the European Union or at a	therein. It shall not affect the	
	later date specified therein. It	validity of any [delegated] act	
	shall not affect the validity of	already in force.	
	any delegated act already in		
	force.		

859.	4. Before adopting a	4. Before adopting a	
	delegated act, the Commission	delegated act, the Commission	
	shall consult experts designated	shall consult Electricity Cross-	
	by each Member State in	border Committee and experts	
	accordance with the principles	designated by each Member	
	laid down in the	State in accordance with the	
	Interinstitutional Agreement on	principles laid down in the	
	Better Law-Making of 13 April	Interinstitutional Agreement on	
	2016.	Better Law-Making of 13 April	
		2016.	
860.	5. As soon as it adopts a	5. As soon as it adopts a	
	delegated act, the Commission	delegated act, the Commission	
	shall notify it simultaneously to	shall notify it simultaneously to	
	the European Parliament and to	the European Parliament and to	
	the Council.	the Council.	
861.	6. A delegated act adopted	6. A delegated act adopted	
	pursuant to Article 31(3), Article	pursuant to [] Article 46(4), []	
	46(4), Article 55(1), Article	and Article 59(11) shall enter	
	56(1) and (4), and Article 59(11)	into force only if no objection	
	shall enter into force only if no	has been expressed either by the	
	objection has been expressed	European Parliament or by the	
	either by the European	Council within a period of two	
	Parliament or by the Council	months of notification of that act	
	within a period of two months of	to the European Parliament and	
	notification of that act to the	the Council or if, before the	
	European Parliament and the	expiry of that period, the	
	Council or if, before the expiry	European Parliament and the	
	of that period, the European	Council have both informed the	
	Parliament and the Council have	Commission that they will not	
	both informed the Commission	object. That period shall be	
	that they will not object. That	extended by two months at the	
	period shall be extended by two	initiative of the European	
	months at the initiative of the	Parliament or of the Council.	
	European Parliament or of the		
	Council.		

<i>862</i> .			Article 64	
			Repeal	
863.	•		1. Regulation (EC) No	
	714/2009 is repealed.		714/2009 is repealed.	
	References to the repealed		References to the repealed	
	Regulation shall be construed as		Regulation shall be construed as	
	references to this Regulation and		references to this Regulation and	
	shall be read in accordance with		shall be read in accordance with	
	the correlation table in Annex II.		the correlation table in Annex II.	
864.			1a. Any implementing act	
			adopted on the basis of	
			Regulation 714/2009 shall	
			continue to apply beyond the	
			date of repeal of Regulation	
			714/2009 until it is repealed.	
865.		AM 185		
		Article 64 a (new)		
		Article 64 a		
		Review		
		By 1 June 2025, the Commission		
		shall review and submit a report		
		on the implementation of this		
		Regulation, together with a		
		legislative proposal if appropriate,		
		to the European Parliament and to		
		the Council.		

866.	Article 65				
		Entry into force			
867.		This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 1 January 2020. Articles 13 and 58a of this Regulation shall apply with effect from the date of entry into force of this Regulation. For the purpose of implementing Article 13, Article 14 of this Regulation shall apply with effect from the date of entry into force of this Regulation shall apply with effect from the date of entry into force of this Regulation shall apply with effect from the date of entry into force of this Regulation. For the purpose of reviewing this Regulation no later than			

868.	This Regulation shall be binding	This Regulation shall be binding	
	in its entirety and directly	in its entirety and directly	
	applicable in all Member States.	applicable in all Member States.	
869.	Done at Brussels,	Done at Brussels,	
	For the European Parliament	For the European Parliament	
	The President	The President	
	For the Council	For the Council	
	The President	The President	

870.			ANNEX I	
			AM 186	
871.	FUNCTIONS OF	FUNCTIONS OF REGIONAL	[] TASKS OF REGIONAL [
	REGIONAL OPERATIONAL	COORDINATION CENTRES	SECURITY	
	CENTRES		COORDINATORS	
872.	1. Coordinated capacity	Coordinated capacity	1. Coordinated capacity	
	calculation	calculation	calculation	
873.	1.1. Regional operational	1.1. Regional <i>coordination</i>	1.1 Regional [] security	
	centres shall perform	centres shall perform coordinated	coordinators shall perform the	
	coordinated calculation of cross	calculation of cross zonal	coordinated calculation of cross	
	zonal capacities.	capacities.	zonal capacities.	
874.	1.2. Coordinated capacity		[] Coordinated capacity	
	calculation shall be performed in		calculation shall be performed [
	due time for each market] for [] the day-ahead and	
	timeframe and as frequently as		intraday timeframes.	
	needed during the intraday			
	timeframe.			
875.			1.2a Coordinated capacity	
			calculation shall be performed	
			on the basis of the	
			methodologies developed	
			pursuant to Articles 21, 26, 29	
			and 30 of [Commission	
			Regulation 2015/1222	
			establishing a guideline on	
			capacity allocation and	
			congestion management].	

876.	1.3. Coordinated capacity		1.3 Coordinated capacity	
	calculation shall be performed		calculation shall be performed	
	based on a common system		based on a common [] grid	
	model in accordance with point		model in accordance with point	
	2 and on a coordinated capacity		3 [].	
	calculation methodology			
	developed by the transmission			
	system operators of the relevant			
	system operation region.			
877.	1.4. Coordinated capacity		1.4 Coordinated capacity	
	calculation shall ensure efficient		calculation shall ensure an	
	congestion management in		efficient congestion	
	accordance with the principles		management in accordance with	
	of congestion management		the principles of congestion	
	defined in this Regulation.		management defined in this	
			Regulation.	
878.	v		2. Coordinated security	
	analysis		analysis	
879.	2.1. Regional operational	2.1. Regional <i>coordination</i>	2.1. Regional [] security	
	centres shall perform	centres shall perform coordinated	coordinators shall perform	
	coordinated security analysis	security analysis aiming at ensuring	coordinated security analysis	
	aiming at ensuring secure	secure system operation.	aiming at ensuring secure	
	system operation.		system operation.	
880.	, ,		2.2 Security analysis shall be	
	performed for all operational		performed for all operational	
	planning timeframes using the		planning timeframes, between	
	common system models.		the year-ahead and intraday	
			timeframes, using the common	
			[] grid models.	

881.			2.2a Coordinated security	
			analysis shall be performed on	
			the basis of the methodologies	
			developed pursuant to Articles	
			75 and 76 of Commission	
			Regulation 2017/1485	
			establishing a guideline on	
			electricity transmission system	
			operation.	
882.	2.3. Regional operational	2.3. Regional <i>coordination</i>	2.3 Regional [] security	
	centres shall share the results of	centres shall share the results of the	coordinators shall share the	
	the coordinated security analysis	coordinated security analysis with	results of the coordinated	
	with at least the transmission	at least the transmission system	security analysis with at least the	
	system operators of the system	operators of the system operation	transmission system operators of	
	operation region.	region.	the system operation region.	
883.	2.4. When as a result of the	2.4. When as a result of the	2.4 When as a result of the	
	coordinated security analysis a	coordinated security analysis a	coordinated security analysis a	
	regional operational centre	regional <i>coordination</i> centre	regional [] security	
	detects a possible constraint, it	detects a possible constraint, it shall	coordinator detects a possible	
	shall design remedial actions	design remedial actions maximizing	constraint, it shall design	
	maximizing economic	economic efficiency.	remedial actions maximizing	
	efficiency.		effectivenes and economic	
			efficiency.	
884.		2.4 a. Coordinated security		
		analysis shall be performed based		
		on a common system model in		
		accordance with point 2 and on a		
		methodology to design coordinated		
		remedial actions developed by the		
		transmission system operators of		
		the relevant system operation		
		region.		

885.			3. Creation of common []	
	system models		grid models	
886.		3.1. Regional <i>coordination</i>	3.1 Regional [] security	
	centres shall set up efficient	centres shall set up efficient	coordinators shall set up	
	processes for the creation of a	processes for the creation of a	efficient processes for the	
	common system model for each	common system model for each	creation of a common [] grid	
	operational planning timeframe.	operational planning timeframe.	model for each operational	
			planning timeframe between the	
			year-ahead and intraday	
			timeframes.	
887.	3.2. Transmission system	3.2. Transmission system	3.2 Transmission system	
	operators shall appoint one	operators shall appoint one regional	operators shall appoint one	
	regional operational centre to	<i>coordination</i> centre to build the	regional [] security	
	build the common system model	common system model for all	coordinator to build the Union-	
	for all regions.	regions.	wide common [] grid models [
].	
888.			3.2a Common grid models	
			shall be performed in	
			accordance with the	
			methodologies developed	
			pursuant to Articles 67, 70 and	
			79 of Commission Regulation	
			2017/1485 establishing a	
			guideline on electricity	
			transmission system operation	
			and pursuant to Article 28 of	
			Commission Regulation	
			2015/1222 establishing a	
			guideline on capacity	
			allocation and congestion	
			management.	

889.	3.3. Common system models shall include relevant data for efficient operational planning and capacity calculation in all operational planning timeframes.		3.3 Common [] grid models shall include relevant data for efficient operational planning and capacity calculation in all operational planning timeframes between the year-ahead and intraday timeframes.	
890.	3.4. Common system models shall be made available to all regional operational centres, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	3.4. Common system models shall be made available to all regional <i>coordination</i> centres, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	3.4 Common [] grid models shall be made available to all regional [] security coordinators, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	
891.	4. Consistency assessment of transmission system operators' defense plans and restoration plans		4. Support to the consistency assessment of transmission system operators' defense plans and restoration plans	

892.		4.1a Regional security	
		coordinators shall support the	
		transmission system operators	
		of the system operation region	
		in carrying out the consistency	
		assessment of transmission	
		system operators' defense	
		plans and restoration plans	
		pursuant to the procedures set	
		out in Article 6 of	
		[Commission Regulation	
		xxxx/xxxx establishing a	
		network code on electricity	
		emergency and restoration].	
893.	4.1. All transmission system	4.1 All transmission system	
	operators shall agree on a	operators shall agree on a	
	threshold above which the	threshold above which the	
	impact of actions of one or more	impact of actions of one or more	
	transmission system operators in	transmission system operators in	
	the emergency, blackout or	the emergency, blackout or	
	restoration states is considered	restoration states is considered	
	significant for other	significant for other transmission	
	transmission system operators	system operators synchronously	
	synchronously or non-	or non- synchronously	
	synchronously interconnected.	interconnected.	

894.	4.2. Using the threshold defined pursuant to point 4.1, each regional operational centre shall provide support to the transmission system operators of the system operation region regarding the assessment of the consistency of its transmission system operators' system	4.2. Using the threshold defined pursuant to point 4.1, each regional <i>coordination</i> centre shall provide support to the transmission system operators of the system operation region regarding the assessment of the consistency of its transmission system operators' system defence plans and the restoration plans.	[]	
	defence plans and the restoration plans.			
895.	4.3. In providing support to the transmission system operators, the regional operational centre shall:	4.3. In providing support to the transmission system operators, the regional <i>coordination</i> centre shall:	4.3 In providing support to the transmission system operators, the regional [] security coordinator shall:	
896.	(a) identify potential incompatibilities;		(a)identify potential incompatibilities;	
897.	(b) propose mitigation actions.		(b) propose mitigation actions.	
898.	4.4. Transmission system operators shall take into account the proposed mitigation actions.		4.4 Transmission system operators shall assess and take into account the proposed mitigation actions.	
899.	5. Coordination and		5. (8 in GA) Support the	
	optimization of regional restoration		coordination and optimization of regional restoration	
900.	5.1. Regional operational centres shall be equipped with the close to real time supervisory control and data acquisition systems with the observability defined by applying the threshold defined in accordance with point 4.1.	deleted		

901.	5.2. Each relevant regional	5.2. Each relevant regional	5.2 (8.2 IN GA) Each relevant	
	operational centre shall provide	coordination centre shall provide	regional [] security	
	assistance to the appointed	assistance to the appointed	coordinator shall [] support	
	frequency leaders and the	frequency leaders and the	the transmission system	
	resynchronisation leaders	resynchronisation leaders aiming at	operators appointed as []	
	aiming at improving the	improving the efficiency and	frequency leaders and the	
	efficiency and effectiveness of	effectiveness of system restoration.	resynchronisation leaders	
	system restoration.	Transmission system operators	pursuant to Articles 29 and 33	
	Transmission system operators	shall be entitled to request	of Commission Regulation	
	shall be entitled to request	assistance from regional	xxxx/xxxx establishing a	
	assistance from regional	<i>coordination</i> centres if their system	network code on emergency	
	operational centres if their	is in a blackout or restoration state.	and restoration [aiming at	
	system is in a blackout or		improving to improve the	
	restoration state.		efficiency and effectiveness of	
			system restoration. The	
			transmission system operators	
			of the system operation region	
			shall define the role of the	
			regional security coordinator	
			relating to the support to the	
			coordination and optimisation	
			of regional restoration.	

902.			8.3 in GA (ex last sentence of	
			5.2) Transmission system	
			operators [] may [] request	
			assistance from regional []	
			security coordinators if their	
			system is in a blackout or	
			restoration state.	
903.			8.4 in GA Regional security	
			coordinators shall be equipped	
			with the close to real time	
			supervisory control and data	
			acquisition systems with the	
			observability defined by	
			applying the threshold defined	
			in accordance with point 4.1.	
904.	6. Post-operation and post-		6. (9 in GA) Post-operation	
	disturbances analysis and		and post-disturbances analysis	
	reporting		and reporting	
905.	6.1. Regional operational	6.1. Regional <i>coordination</i>	6.1 (9.1 in GA) Regional []	
	centres shall investigate and	centres shall investigate and	security coordinators shall []	
	prepare a report on any incident	prepare a report on any incident	prepare a report on any incident	
	above the threshold defined in	above the threshold defined in	above the threshold defined in	
	accordance with point 4.1. The	accordance with point 4.1. The	accordance with point 4.1. The	
	regulatory authorities of the	regulatory authorities of the system	regulatory authorities of the	
	system operation region and the	operation region and the Agency	system operation region and the	
	Agency may be involved in the	may be involved in the	Agency may be involved in the	
	investigation upon their request.	investigation upon their request.	investigation upon their request.	
	The report shall contain	The report shall contain	The report shall contain	
	recommendations aiming at	recommendations aiming at	recommendations aiming at	
	preventing similar incidents in	preventing similar incidents in	preventing similar incidents in	
	future.	future.	future.	

906.	6.2. The report shall be made		6.2 (9.5 in GA) The report	
700.				
	available to all transmission		shall be [] published. The	
	system operators, regulatory		Agency may issue	
	authorities, the Commission and		recommendations aiming at	
	the Agency. The Agency may		preventing similar incidents in	
	issue recommendations aiming		future.	
	at preventing similar incidents in			
	future.			
907.	7. Regional sizing of		[]	
	reserve capacity			
908.	7.1. Regional operational	7.1. Regional <i>coordination</i>		
	centres shall determine the	centres shall determine the reserve		
	reserve capacity requirements	capacity requirements for the		
	for the system operation region.	system operation region. The		
	The determination of reserve	determination of reserve capacity		
	capacity requirements shall:	requirements shall:		
909.		requirements share.		
707.	objective to maintain operational			
	security in the most cost			
	effective manner;			
010	,			
910.	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
	ahead and/or intraday			
	timeframe;			
911.				
	amount of required reserve			
	capacity for the system			
	operation region;			

912.	(d) define minimum reserve			
	capacity requirements for each			
	type of reserve capacity;			
913.				
	substitutions between different			
	types of reserve capacity with			
	the aim to minimise the costs of			
	procurement;			
914.	(f) set out the necessary			
	requirements for the			
	geographical distribution of			
	required reserve capacity, if any.			
915.			[]	
	regional procurement of			
	balancing capacity			
916.	\mathcal{L}	8.1. Regional <i>coordination</i>		
	centres shall support the	centres shall support the		
	transmission system operators of	transmission system operators of		
	the system operation region in	the system operation region in		
	determining the amount of	determining the amount of		
	balancing capacity that needs to	balancing capacity that needs to be		
	be procured. The determination	procured. The determination of the		
	of the amount of balancing	amount of balancing capacity shall:		
	capacity shall:			
917.	1			
	ahead and/or intraday			
	timeframe;			
918.	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
	substitutions between different			
	types of reserve capacity with			
	the aim to minimise the costs of			
	procurement;			

919.	volumes of required reserve capacity that are expected to be provided by balancing energy bids, which are not submitted based on a contract for		
	balancing capacity.		
920.		(ca) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement.	
921.	8.2. Regional operational centres shall support the transmission system operators of the system operation region in procuring the required amount of balancing capacity determined in accordance with point 8.1. The procurement of balancing capacity shall:	deleted	
922.		deleted	
923.	(b) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement.	deleted	

924.	9. Regional system		9. (5 in GA) Week-ahead to	
	adequacy forecasts and		day-ahead regional system	
	preparation of risk reducing		adequacy [] assessments and	
	actions		preparation of risk reducing	
			actions	
925.	9.1. Regional operational	9.1. Regional <i>coordination</i>	9.1 <i>(5.1 in GA)</i> Regional	
	centres shall perform week	centres shall perform week ahead to	regional [] security	
	ahead to intraday regional	intraday regional adequacy	coordinators shall perform	
	adequacy assessments.	assessments.	week ahead to [] day-ahead	
			regional adequacy assessments	
			in accordance with the	
			procedures set out in Article	
			81 of Commission Regulation	
			2017/1485 establishing a	
			guideline on electricity system	
			operation and on the basis of	
			the methodology developed	
			pursuant Article 8 of [Risk	
			preparedness Regulation].	
926.	9.2. Regional operational	9.2. Regional <i>coordination</i>	9.2 (5.2 in GA) Regional []	
	centres shall base the adequacy	centres shall base the adequacy	security coordinators shall base	
	assessments on the information	assessments on the information	the short-term regional	
	provided by the transmission	provided by the transmission	adequacy assessments on the	
	system operators of system	system operators of system	information provided by the	
	operation region with the aim of	operation region with the aim of	transmission system operators of	
	detecting situations where a lack	detecting situations where a lack of	system operation region with the	
	of adequacy is expected in any	adequacy is expected in any of the	aim of detecting situations	
	of the control areas or at	control areas or at regional level.	where a lack of adequacy is	
	regional level. Regional	Regional <i>coordination</i> centres shall	expected in any of the control	
	operational centres shall take	take into account possible cross-	areas or at regional level.	
	into account possible cross-	zonal exchanges and operational	Regional [] security	
	zonal exchanges and operational	security limits in all operational	coordinators shall take into	
	security limits in all operational	planning timeframes.	account possible cross-zonal	
	planning timeframes.		exchanges and operational	
			security limits in all relevant	
			operational planning timeframes.	

927.	9.3. When performing a	9.3. When performing a regional	9.3 (5.3 in GA)When	
	regional generation adequacy	generation adequacy assessment,	performing a regional []	
	assessment, each regional	each regional <i>coordination</i> centre	system adequacy assessment,	
	operational centre shall	shall coordinate with other regional	each regional [] security	
	coordinate with other regional	coordination centres to:	coordinator shall coordinate	
	operational centres to:		with other regional [] security	
	•		coordinators to:	
928.	(a) verify the underlying		(a) verify the underlying	
	assumptions and forecasts;		assumptions and forecasts;	
929.	(b) detect possible cross-		(b) detect possible cross-	
	regional lack of adequacy		regional lack of adequacy	
	situations.		situations.	
930.	9.4. Each regional operational	9.4. Each regional <i>coordination</i>	9.4 (5.4 in GA) Each regional	
	centre shall deliver the results of	centre shall deliver the results of	[] security coordinator shall	
	the regional generation	the regional generation adequacy	deliver the results of the regional	
	adequacy assessments together	assessments together with the	generation adequacy	
	with the actions it proposes to	actions it proposes to reduce risks	assessments together with the	
	reduce risks of lack of adequacy	of lack of adequacy to the	actions it proposes to reduce	
	to the transmission system	transmission system operators of	risks of lack of adequacy to the	
	operators of the system	the system operation region and to	transmission system operators of	
	operation region and to other	other regional <i>coordination</i> centres.	the system operation region and	
	regional operational centres.		to other regional [] security	
			coordinators.	
931.	10. Regional outage		10. (6 in GA) Regional	
	coordination		outage planning coordination	
932.	10.1. Each regional operational	10.1. Each regional <i>coordination</i>	10.1 (6.1 in GA) Each regional	
	centre shall perform outage	centre shall perform outage	[] security coordinator shall	
	coordination in order to monitor	coordination in order to monitor the	perform regional outage	
	the availability status of the	availability status of the relevant	coordination in accordance	
	relevant assets and coordinate	assets and coordinate their	with the procedures set out in	
	their availability plans to ensure	availability plans to ensure the	Article 80 of Commission	
	the operational security of the	operational security of the	Regulation 2017/1485	
	transmission system, while	transmission system, while	establishing a guideline on	
	maximizing the capacity of the	maximizing the capacity of the	electricity transmission system	
	interconnectors and/or the	interconnectors and/or the	operation in order to monitor	

	transmission systems affecting	transmission systems affecting	the availability status of the	
	cross-zonal flows.	cross-zonal flows.	relevant assets and coordinate	
			their availability plans to ensure	
			the operational security of the	
			transmission system, while	
			maximizing the capacity of the	
			interconnectors and/or the	
			transmission systems affecting	
			cross-zonal flows.	
933.	10.2. Each regional operational	10.2. Each regional <i>coordination</i>	10.2 (6.2 in GA) Each regional	
	centre shall maintain a single list	centre shall maintain a single list of	[] security coordinator shall	
	of relevant grid elements, power	relevant grid elements, power	maintain a single list of relevant	
	generating modules and demand	generating modules and demand	grid elements, power generating	
	facilities of the system operation	facilities of the system operation	modules and demand facilities	
	region and make it available on	region and make it available on the	of the system operation region	
	the ENTSO for Electricity	ENTSO for Electricity operational	and make it available on the	
	operational planning data	planning data environment.	ENTSO for Electricity	
	environment.		operational planning data	
			environment.	
934.	10.3. Each regional operational	10.3. Each regional <i>coordination</i>	10.3 (6.3 in GA) Each regional	
	centre shall carry out the	centre shall carry out the following	[] security coordinator shall	
	following activities related to	activities related to outage	carry out the following activities	
	outage coordination in the	coordination in the system	related to outage coordination in	
	system operation region:	operation region:	the system operation region:	
935.	(a) assess outage planning		(a) assess outage planning	
	compatibility using all		compatibility using all	
	transmission system operators'		transmission system operators'	
	year-ahead availability plans;		year-ahead availability plans;	
936.	(b) provide the transmission		(b) provide the transmission	
	system operators of the system		system operators of the system	
	operation region with a list of		operation region with a list of	
	detected planning		detected planning	
	incompatibilities and the		incompatibilities and the	
	solutions it proposes to solve the		solutions it proposes to solve the	
	incompatibilities.		incompatibilities.	

937.	11. Optimization of inter-		11. (12 in GA) Optimization	
	transmission system operators		of inter-transmission system	
	compensation mechanisms		operators compensation	
			mechanisms	
938.	11.1. Regional operational	11.1. Regional <i>coordination</i>	11.1 (12.1 in GA) The	
	centres shall support the	centres shall support the	transmission system operators	
	transmission system operators of	transmission system operators of	of the system operation region	
	the system operation region in	the system operation region in	may jointly decide to receive	
	administering the financial flows	administering the financial flows	support from the regional	
	related to inter- transmission	related to inter- transmission	security coordinator [] in	
	system operators settlements	system operators settlements	administering the financial flows	
	involving more than two	involving more than two	related to inter-transmission	
	transmission system operators,	transmission system operators, such	system operators settlements	
	such as redispatching costs,	as redispatching costs, congestion	involving more than two	
	congestion income, unintentional deviations or	income, unintentional deviations or	transmission system operators,	
		reserve procurement costs.	such as redispatching costs,	
	reserve procurement costs.		congestion income, unintentional deviations or	
			reserve procurement costs.	
939.	12. Training and		12. (7 in GA) Training and	
737.	certification		certification of staff working	
	certification		for regional security	
			coordinators	
940.	12.1. Regional operational	12.1. Regional <i>coordination</i>	12.1. (7.1 in GA) Regional []	
7.0.	centres shall prepare and	centres shall prepare and execute	security coordinators shall	
	execute training and certification	training and certification programs	prepare and execute training and	
	programs focusing on regional	focusing on regional system	certification programs focusing	
	system operation for the	operation for the personnel working	on regional system operation for	
	personnel working in the	in the planning and control rooms	the personnel working for	
	planning and control rooms of	of the transmission system	regional security coordinators	
	the transmission system	operators of system operation		
	operators of system operation	region.		
	region.			

941.	12.2. The training programs shall cover all the relevant		12.2 (7.2 in GA) The training programs shall cover all the	
	components of system		relevant components of system	
	operation, including scenarios of		operation, where the regional	
	regional crisis.		security coordinator performs	
			tasks including scenarios of	
			regional crisis.	
942.	13. Identification of regional		13. Identification of regional	
	crisis situations and		crisis situations and	
	preparation of risk mitigation		preparation of risk mitigation	
	scenarios reviewing the risk		scenarios reviewing the risk	
	preparedness plans as		preparedness plans as	
	established in Member States		established in Member States	
943.	13.1. If ENTSO for Electricity	13.1. If ENTSO for Electricity	13.1 If the ENTSO for	
	delegates this function, regional	delegates this function, regional	Electricity delegates this	
	operational centres shall identify	<i>coordination</i> centres shall identify	function, regional [] security	
	regional crisis scenarios in	regional crisis scenarios in	coordinators shall identify	
	accordance with the criteria set	accordance with the criteria set out	regional crisis scenarios in	
	out in Article 6(1) of [Risk	in Article 6(1) of [Risk	accordance with the criteria set	
	Preparedness Regulation as	Preparedness Regulation as	out in Article 6(1) of [Risk	
	proposed by COM(2016) 862]	proposed by COM(2016) 862]	Preparedness Regulation as	
			proposed by COM(2016) 862].	
944.			The identification of regional	
			crisis scenarios shall be	
			performed in accordance with	
			the methodology set out in	
			Article 5 of the [Risk	
			Preparedness Regulation].	
945.	13.2. Regional operational	13.2. Regional <i>coordination</i>	13.2 Regional [] security	
	centres shall prepare and carry	centres shall prepare and carry out	coordinators shall support the	
	out yearly crisis simulation in	yearly crisis simulation in	competent authorities of each	
	cooperation with competent	cooperation with competent	system operation region in the	
	authorities according to Article	authorities according to Article	preparation and carrying out of [
	12(3) of [Risk Preparedness	12(3) of [Risk Preparedness] annual crisis simulation [] in	
	Regulation as proposed by	Regulation as proposed by	accordance with Article 12(3)	

COM(2016) 862].	COM(2016) 862].	of [Risk Preparedness Regulation as proposed by COM(2016) 862].	
946.	13a. Identification of needs for new capacity, for upgrade of existing capacity or their alternatives.		
947.	13a.1. Regional coordination centres shall support transmission system operators in the identification of needs for new capacity, for an upgrading of existing capacity or for their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) No 347/2013 and to be included in the ten-year network development plan referred to in Article 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]		
948.		The preparation of risk mitigation scenarios shall be performed in accordance with the process set out in Article 12 of the [Risk Preparedness Regulation].	
949.		14. (10 in GA) Calculation of the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms.	

950.	14.1 (10.1 in GA) Regional
	security coordinators shall
	support TSO in calculating the
	maximum entry capacity
	available for the participation
	of foreign capacity in capacity
	mechanisms taking into
	account the expected
	availability of interconnection
	and the likely concurrence of
	system stress between the
	system where the mechanism
	is applied and the system in
	which the foreign capacity is
	located.
951.	14.2 (10.2 in GA) The
	calculation shall be performed
	in accordance with the
	methodology set out in Article
	21(10)(a) of this Regulation.
952.	14.3 (10.3 in GA) Regional
	security coordinators shall
	provide a calculation for each
	bidding zone border covered
	by the system operation
	region.
953.	15. (11 in GA) Preparation
	of seasonal outlooks

954.	15.1 (11.1 in GA) If the	
	ENTSO for Electricity	
	delegates this function	
	pursuant to Article 9 of [Risk
	preparedness Regulation	,
	regional security coordinates	ators
	shall carry out regional	
	seasonal adequacy outloo	ks.
955.	15.2 (11.2 in GA) The	
	preparation of seasonal	
	outlooks shall be carried	out
	on the basis of the	
	methodology developed	
	pursuant to Article 8 of [l	Risk
	preparedness Regulation	