

Brussels, 21 April 2009

European Parliament votes to support new rules strengthening the EU internal energy market

President Barroso and Energy Commissioner Andris Piebalgs have welcomed today's vote of the European Parliament backing new rules to strengthen the EU's internal energy market. The new legislation is expected to give consumers more protection and the benefit of the lowest possible energy prices while offering companies the chance to compete on a level playing field. In addition the legislative package will promote sustainability by stimulating energy efficiency.

Commission President, José Manuel Barroso said, "This is a major step towards a truly integrated European energy market, and the right European Union response to the structural challenges we face. It is good news for business and citizens alike who need competitive prices and security of energy supply. The adoption of the internal market proposals shows that Europe can deliver on its promises".

"This is about getting a better deal for both consumers and businesses. Consumers will benefit from better protection and the lowest possible prices, while companies will have a chance to gain more business in a competitive market. A clear regulatory framework for a functioning internal gas and electricity market will help the EU to meet the challenges of climate change, increased energy import dependence and global competitiveness," said Energy Commissioner Andris Piebalgs.

The main objective of the legislative package is to put in place the regulatory framework needed to make market opening fully effective and to create a single EU gas and electricity market in the interest of achieving the lowest possible energy prices and better security for the citizens and the industry of the European Union. The package promotes sustainability by stimulating energy efficiency and guaranteeing that also small companies, in particular those investing in renewable energy, have access to the energy market. A competitive market will contribute to greater security of supply by improving the conditions for investment in power plants and transmission networks, and thus helping to avoid interruptions in power or gas supplies. Ensuring fair competition between EU companies and third country companies is another key objective of this new legislation. It is expected that the Council will formally endorse the text approved today by the Parliament within the next few months.

Today's vote of the Parliament preserves the key elements of the Commission's proposal of 19 September 2007.

- Ensuring more effective regulatory oversight from truly independent and competent National Energy Regulators.

- Facilitating cross-border energy trade by establishing an EU Agency for the Cooperation of Energy Regulators, with powers to adopt binding decisions. While National Regulators will be responsible for dealing with national energy matters, the EU Agency will focus on cross-border issues and the internal market.
- Promoting cross border collaboration and investment with a new European Network for Transmission System Operators. Grid operators in the Union will cooperate and develop common commercial and technical codes and security standards, as well as plan and coordinate the investments needed at EU level. This would also ease cross border trade and create a level playing field for operators.
- Increasing solidarity. By bringing national markets closer together, Member States will be better equipped to assist one another in the face of energy supply threats.
- Creating a level playing field by separating effectively the production and sale of energy from the transmission of energy. This is to avoid companies involved with both the generation and transmission of energy to use their privileged position on transmission to block access to transmission grids to other suppliers. Unbundling supply from transmission activities of integrated companies will serve to eliminate conflict of interests, promote network investment and prevent any discriminatory behaviour.
- Increasing transparency. Steps to improve market transparency on network operation and supply will guarantee equal access to information, make pricing more transparent, increase trust in the market and help avoid market manipulation.

The vote of the EP also strengthens the Common Position adopted by the Council in January 2009 on several key issues:

- The rights of citizens are put at the centre of the market opening process with strong obligations on Member States to protect energy consumers.
- Market opening should not be detrimental to vulnerable customers. Strong obligations are provided for as regards to the fight against energy poverty.
- The implementation of intelligent metering systems is provided for with a target of 80 % of the population to be covered by 2020. The installation of smart meters allows for consumers to be precisely informed of their consumption and promotes energy efficiency.
- Proper regulatory oversight should be ensured: the powers and independence of National Energy Regulators are strengthened, as well as the powers of the Agency for the Cooperation of Energy Regulators.

The package is composed of:

- A Regulation establishing the EU Agency for the cooperation of National Energy Regulators
- An Electricity Directive replacing Directive 2003/54
- A Gas Directive replacing Directive 2003/55
- An Electricity Regulation replacing Regulation 1228/03
- A Gas Regulation replacing Regulation 1775/05