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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast) **(first reading)**

- Adoption of the legislative act
- Statements

Statement by the Commission on alternative dispute resolution

The Commission notes the agreement of the co-legislators relating to [Recital 24 and] Article 26 to regulate at EU level that energy service providers' participation in Alternative Dispute Resolution shall be mandatory. The Commission regrets this decision since its proposal had left this choice to Member States in line with the approach adopted in Directive 2013/11/EU on Alternative Resolution for consumer Disputes (the ADR Directive) and bearing in mind the principles of subsidiarity and proportionality.

It is not the Commission's role to undertake comparative assessments of the individual alternative dispute resolution models put in place by the Member States. The Commission will therefore consider the overall effectiveness of the national alternative dispute resolution landscapes in the context of its general obligation to monitor the transposition and effective application of Union law.

Statement by the Commission on the interconnector definition

The Commission notes the agreement of the co-legislators relating to the recast Electricity Directive and Recast Electricity Regulation, reverting back to the definition of "interconnector" used in Directive 2009/72/EC and Regulation (EC) 714/2009. The Commission agrees that electricity markets differ from other markets such as natural gas, e.g. by trading products which can currently not be easily stored and are produced by a large variety of generating installations, including installations at distribution level. As a consequence, the role of connections to third countries differs significantly between the electricity and gas sectors and different regulatory approaches can be chosen.

The Commission will further examine the impact of this agreement and provide guidance on applying the legislation where needed.

For the sake of legal clarity, the Commission wishes to highlight the following:

The agreed definition of interconnector in the Electricity Directive refers to equipment linking electricity systems. This wording does not distinguish different regulatory frameworks or technical situations and thus, a priori, includes all electric connections to third countries in the scope of application. As regards the agreed definition of interconnector in the Electricity Regulation, the Commission underlines that the integration of electricity markets requires a high degree of cooperation between system operators, market participants and regulators. While the scope of applicable rules may vary depending on the degree of integration with the internal electricity market, close integration of third countries into the internal electricity market, such as participation in market coupling projects, should be based on agreements requiring the application of relevant Union law.