

Risk-preparedness in the electricity sector

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The Committee on Industry, Research and Energy adopted the report by Flavio ZANONATO (S&D, IT) on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

Objective: the proposed Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency, in full regard for the requirements of a competitive internal market for electricity and **in line with the Union's energy and climate objectives**.

An '**electricity crisis**' shall mean a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent, based on parameters defined in national and regional crisis scenarios.

Members considered that Member States should be required to identify **concrete electricity crisis scenarios at the regional and national level** and subsequently identify concrete measures to address such situations in their risk preparedness plans. That approach should ensure that all possible crisis situations are covered.

Risk assessments: the proposed Regulation requires Member States to ensure that all risks relating to the security of electricity supply are assessed. Members pointed out that security of electricity supply shall imply **effective cooperation amongst relevant stakeholders**, Member States and regional coordination centres, and the Commission with the Union's other institutions and bodies, all within their respective areas of activity and competence.

Before submitting the proposed **methodology**, ENTSO-E shall conduct a **consultation** exercise involving at least the regional coordination centres, industry and consumer organisations, generators, the transmission system operators, the distribution system operators, the competent authorities, the national regulatory authorities, other national authorities and other relevant stakeholders.

Guidelines for prevention and handling: the Agency for the Co-operation of Energy Regulators shall draft the Union-wide guidelines for the prevention and handling of crisis situations, identifying both market and non-market measures and system operational rules. In preparing the guidelines, the Agency should prioritize, as far as possible, the measures with the lowest impact on the environment.

These guidelines shall also include the principles governing compensation schemes and those for identifying **protected customers**.

Short-term adequacy assessments: whilst the risk preparedness proposal calls for European-wide and regional assessments of short-term risks, Members also pointed out that **Member States** also maintain the possibility to carry out their own assessments.

Preparation of risk preparedness plans: as long as the transmission system operators and the distribution system operators are ultimately responsible for the safety and reliability of the management of the network, the competent authorities shall explicitly involve them in the identification, preparation, management, monitoring and ex-post evaluation process.

Content of risk preparedness plans with regard to co-ordinated measures at regional level: the regional measures to be included in the plan shall be agreed upon by the competent authorities of the Member States in the region concerned, in consultation with the relevant coordination centres, before being incorporated into their national plans.

The draft Regulation proposes that, when the competent authorities concerned are not able to reach an agreement, the Commission may request the Agency to facilitate the conclusion of an agreement in consultation with ENTSO-E. Consistent to the Gas SoS regulation, Members suggested that in these cases the **Commission shall be entitled to propose a cooperation mechanism** for the conclusion of regional agreement.

Commission role in amending the risk preparedness plans: Members introduced a provision to ensure that agreed plans **do not undermine the internal market or security of supply**. The Commission shall be empowered to request amendments if necessary.

Confidentiality: as the threat of malicious attacks in the energy sector and elsewhere is a fact, indeed, this Regulation shall ensure that confidentiality of the sensitive information be ensured when identifying risks, and preparing, sharing and reviewing the draft plans via the Electricity Coordination Group.

Cooperation and assistance: where requested and technically feasible, Member States shall assist each other so as to prevent or mitigate an electricity crisis. Such assistance shall be subject to **compensation** covering at least the cost of electricity delivered into the territory of the Member State requesting assistance and all other relevant costs incurred when providing assistance.

Compliance with market rules: measures taken to prevent or mitigate electricity crisis situations must comply with the rules governing the internal electricity market and the operation of the system. Members considered that **non-market measures** shall be considered acceptable only as a last resort and where market rules may aggravate an electricity crisis.