

Common rules for the internal market in electricity. Recast

2016/0380(COD) - 14/06/2019 - Final act

PURPOSE: to ensure that the EU electricity market is competitive, consumer-oriented, flexible and non-discriminatory.

LEGISLATIVE ACT: Directive (EU) 2019/944 of the European Parliament and of the Council concerning common rules for the internal market in electricity and amending Directive 2012/27/EU

CONTENT: The Directive establishes common rules for the production, transmission, distribution, storage and supply of electricity, as well as consumer protection provisions for the creation of truly integrated, competitive, consumer-oriented and flexible, fair and transparent electricity markets in the Union. The Directive shall enhance national policies in favour of vulnerable and energy poor customers.

The Directive on common rules for the internal market in electricity, the [Regulation](#) on the electricity market, the [Regulation](#) on risk preparedness and the [Regulation](#) establishing a European Agency for the Cooperation of Energy Regulators (ACER) are part of the Commission's broader set of initiatives entitled "Clean Energy for All Europeans". This package includes the Commission's main proposals for implementing the Energy Union.

Market-based supply prices

Under the Directive, suppliers shall be free to determine the price at which they supply electricity to customers. Member States shall take appropriate actions to ensure effective competition between suppliers. They shall ensure the protection of energy poor and vulnerable household customers by social policy or by other means than public interventions in the price setting for the supply of electricity.

The Directive also allows Member States to apply public interventions in the setting of prices for the supply of electricity to other household customers and micro-enterprises with a view to a transition period aimed at establishing effective competition between suppliers and achieving fully efficient market-based retail electricity pricing.

Empowerment and consumer protection

The revised Directive puts consumers at the heart of the energy transition, offering them more choice and increased protection.

Member States shall ensure that all final customers are entitled to have their electricity provided by a supplier, subject to the supplier's agreement, regardless of the Member State in which the supplier is registered, provided that the supplier follows the applicable trading and balancing rules.

Final customers shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language.

The Directive also provides for the possibility of switching suppliers free of charge within a maximum of three weeks (and 24 hours by 2026). Household customers shall be entitled to participate in collective switching schemes.

Consumers shall become full market players through:

- smart meters: consumers will be able to request the installation of a smart electricity meter at no additional cost, which will inform them of their consumption and costs in near real time. Where final customers do not have smart meters, final customers will need to have individual conventional meters that accurately measure their actual consumption;
- price comparison tools: household customers and microenterprises with an expected yearly consumption of below 100 000 kWh, shall have access, free of charge, to at least one tool comparing the offers of suppliers, including offers for dynamic electricity price contracts;
- dynamic electricity pricing contracts: final customers who are equipped with a smart meter will be able to request to conclude a dynamic electricity pricing contract with at least one supplier and with each supplier who has more than 200 000 final customers;
- citizens' energy cooperatives: final customers will have the right to act as active customers, for example by selling self-generated electricity, without being subject to disproportionate or discriminatory technical requirements, by participating in flexibility and energy efficiency programmes or by joining the citizens' energy communities.

The Electricity Directive also sets out the regulatory framework for transmission and distribution system operators.

ENTRY INTO FORCE: 4.7.2019.

TRANSPOSITION: from 31.12.2020 (some provisions shall be transposed by 31.12.2019 or 25.10.2020 at the latest).