



EUROPEAN COMMISSION

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Dear Chairman,

The Commission would like to thank the Bundesrat for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on Risk Preparedness in the Electricity Sector {COM(2016) 862 final} and on the proposal for a Regulation of the European Parliament and of the Council establishing a European Union Agency for the Cooperation of Energy Regulators (recast) {COM (2016) 863 final}.

The two proposals are part of a package of ambitious measures, the "Clean Energy for All Europeans" package, adopted by the Commission in order to establish a stable and forward-looking regulatory framework for the upcoming energy challenges. The measures included in the package focus on the following three main objectives: energy efficiency first, achievement of a global leadership in renewable energies and a fair deal for consumers.

The proposal for a Regulation on Risk Preparedness in the Electricity Sector aims at reinforcing security of electricity supply in the European Union at a lesser cost. In a context of increasing interconnection in Europe, it seeks to ensure that all Member States put in place appropriate tools to prevent, prepare for and manage electricity crisis situations so that they all are equally well prepared for crisis situations. This is especially ensured with the obligation to identify all relevant risks and based on the risks identified to develop a risk preparedness plan. To ensure the regional coherence the plans are to be consulted within the region and with Electricity Coordination Group. The initiative also requires Member States to cooperate with each other in a spirit of solidarity, with a view to ensuring that the remaining electricity goes there where it is most needed, in return for compensation. The compensation rules have to be agreed in advance with the neighbours in regional setting to ensure trust and avoid unclarity in crisis situations.

The Commission is grateful for the Bundesrat's broad support for the aim of the proposal for a Regulation on Risk Preparedness in the Electricity Sector, including the requirements for stronger regional co-operation. The increased regional coordination should indeed provide important benefits for consumers in terms of enhanced security of supply with more efficient and less costly measures.

*Ms Sonja LEDL-ROSSMANN
President of the Bundesrat
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The further integration of European energy markets is a central prerequisite for achieving the objectives of the package. This also requires adapting the competences and functioning of the Agency for the Cooperation of Energy Regulatory Authorities (ACER).

The Commission is pleased that the Bundesrat shares the view that a coordinated approach at European Union level between national regulators is needed. It takes seriously the concerns expressed by the Bundesrat as regards the need for improving the organisational framework and the procedural rules of the Agency to guarantee legal certainty and transparency. In this regard, the Commission's proposal would clarify and reinforce the provisions related to decisions subject to the Board of Appeal of the Agency in Articles 26 to 29 of the proposal, which relate to the Board's rules of procedure, separate budget line, independence and decisions subject to appeal.

As regards the Bundesrat's concerns on further extension of the powers of the Agency, the Commission wishes to stress that it remains a coordinating body of national regulators. The Board of Regulators constitutes the main decision-making body of the Agency. Limited additional powers have been granted (Articles 7 to 10 of the proposal) but decisions are taken by the Board of Regulators in which all national regulatory authorities are represented.

The Commission hopes that these clarifications address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Miguel Arias Cañete
Member of the Commission*