



EUROPEAN COMMISSION

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Dear Chair,

The Commission would like to thank the Sénat for its opinion on the renewable energy sources and capacity mechanisms aspects of the Clean Energy Package for All Europeans, and in particular on the proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) {COM(2016) 767} and the Commission's Final Report of the Sector Inquiry on Capacity Mechanisms {COM(2016) 752}.

The Clean Energy Package for All Europeans aims first of all at promoting energy efficiency and energy saving, fostering the development of renewable energy, and empowering the consumer. This should be achieved through a functioning internal market while guaranteeing security of supply. It contains a set of measures to this effect, which the Commission believes to respect the principles of proportionality and subsidiarity, as well as Member States' right to determine the conditions for exploiting their energy resources, their choice between different energy sources and the general structure of their energy supply, which is guaranteed under Article 194(2) of the Treaty on the functioning of the European Union.

The Commission has taken note of the Sénat's suggested classification between variable renewable energies, non-variable renewable energies and nuclear sources, and fossil fuels. As regards the challenges raised by the variable nature of certain renewable energy technologies, the Commission wishes to stress that one of the fundamental objectives of the market design initiative is precisely to ensure that electricity markets are adapted to the new technological realities of variable and decentralised renewables, allow for their cost-effective integration at high levels, and make use of smart technologies throughout the system. This will be in particular achieved through better functioning and more interconnected short-term markets and by unlocking all potential sources of flexibility, including from storage and demand response.

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As regards capacity mechanisms, the Commission is of the opinion that other options including implementing existing obligations and new measures from the clean energy package have to be considered first. The Commission recognises that capacity mechanisms may in certain cases be justified for a limited time in order to ensure a sufficient level of security of supply but points to the risk of their distortive effects on markets and locking in of technologies that hamper the cost-efficient energy transition. The Commission proposal aims at ensuring that when needed such mechanisms are based primarily on common European wide resource adequacy assessments, properly take into account neighbouring capacities, are open to cross-border participation and do not discriminate between technologies, especially demand response.

Finally, the Commission shares the objective expressed in the Sénat's opinion of strengthening the carbon price, and wishes to recall its legislative proposal to revise the EU emissions trading system for the period after 2020¹, which is currently in the legislative process involving the European Parliament and the Council.

The Commission hopes that these clarifications address the issues raised by the Sénat 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*

¹ COM(2015) 337.