

European Commission
Jean-Claude Juncker
President

Brussels
Rue de la Loi 170
B-1049
Belgium

Subject: Reasoned opinions of the Hungarian National Assembly

Dear Mr. President,

I have the honour to inform you Mr. President that the Hungarian National Assembly carried out the examination of the enforcement of the principle of subsidiarity in conformity with Article 6 of Protocol No. 2 on the application of the principles of subsidiarity and proportionality (hereinafter Protocol No. 2) attached to the Treaties of the European Union as well as the relevant regulations of Act XXXVI of 2012 on the Hungarian National Assembly and Resolution No. 10/2014. (II. 24.) on certain provisions of the Rules of Procedure with regard to the Proposal for a Regulation of the European Parliament and of the Council on the internal market of electricity [COM (2016) 861; 2016/0379 (COD)], (hereinafter Proposal for a Regulation) and the Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market of electricity [COM (2016) 864; 2016/0380 (COD)], (hereinafter Proposal for a Directive).

The resolution adopted by the Hungarian National Assembly on 3 May 2017 declares that the Proposal for a Regulation and the Proposal for a Directive do not comply with the principle of subsidiarity, therefore the two reasoned opinions by virtue of Article 6 of Protocol No. 2 are hereby forwarded to you.

The reasoned opinion of the Hungarian National Assembly concerning the Proposal for a Regulation is summarised as follows:

- The transfer of decisions on capacity mechanisms to Union-level constitutes a breach of the subsidiarity principle;
- Article 23 of the Proposal for a Regulation raises subsidiarity concerns regarding the indirect elimination of the Member State competence to determinate its energy mix;
- The exclusive application of analysis based on European resource adequacy assessment as a methodology to introduce capacity mechanisms raises concerns;
- The regional organisation of the certain functions of Member State electricity transmission system operator constitutes the breach of the subsidiarity principle. The establishment of regional operational centres with autonomous decision-making power is otherwise in contrary to the fact that responsibility for security of supply belongs to EU Member State.

The reasoned opinion of the Hungarian National Assembly concerning the Proposal for a Directive is summarised as follows:

- The introduction of market based supply prices would unnecessarily restrain the Member State's competence regarding price-setting of electricity and would disregard the current instruments of a Member State to safeguard the rights of consumers and to tackle energy poverty (Article 5 of the Proposal for a Directive);
- It is not demonstrated by the Proposal for a Directive that the maintenance of affordable energy prices cannot be sufficiently achieved by the Member States, either at central, regional or local level.

Enclosed please find the resolution of the Hungarian National Assembly and the report No. B/15096 which together represent the full text of the reasoned opinions.