



Parlamentul României
Senat

REASONED OPINION
on
THE PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL ON THE INTERNAL MARKET FOR ELECTRICITY (recast)
COM (2016) 861 final

The Senate of Romania has examined the *Proposal for a Regulation of the European Parliament and of the Council on the internal market for electricity* COM (2016) 861 according to the provisions of the Treaty of Lisbon (Protocol no.2). Taking into account the report of the Committee on European Affairs, the Plenum of the Senate, during its session on 9 May 2017, has appreciated that the proposal is not in compliance with the principles of subsidiarity and proportionality.

The Romanian Senate has appreciated that :

1. In order to achieve the objectives of the Energy Union The initiatives included in the winter energy package, including this proposal, should lead to the strengthening of the security of the energy supply in the European Union, the reform of the electricity market, the shaping of a governance process and the integrated monitoring.
2. The restructuring of the market framework must meet both the specific needs of the conventional energy sources and the new technologies as well as the efficient use of the interconnection capacities.

The members of the Romanian Senate made the following observations:

1. In order to take into consideration aspects concerning the regionalization of the single market, the legislative package must be built in such a way as to permanently pursue the internal electricity market issues and to avoid the possibility of the isolated regional approaches or the creation of the regional power centers. Therefore, the reform should always take into account the costs of transition and the capacity of Member States to support these costs in terms of accessibility and competitiveness.

2. Another sensitive issue regards the proposal to eliminate, from the capacity mechanisms, those capacities producing emissions of more than 550 g CO₂ / kWh because they require further analysis, mainly addressing the issue of energy adequacy and security. The introduction of the 550 g CO₂ / kWh limit for production capacities will lead to the elimination of a single technology within the capacity mechanisms – the coal-based energy production. The idea of developing a single methodology for calculating suitability for all Member States is correct, but the adequacy assessment needs to be done, first and foremost, at a national than a regional level. Making a European-wide assessment of relevance may be complementary to national analyzes but should not replace them. Also, the capacity mechanisms should be assessed

first and foremost at national and regional level, in order to counteract the unpredictable nature of renewable energies and to develop efficient and accessible storage capacities.

3. As regards the liberalization of the energy market and the preservation of the derogation for the application of regulated tariffs only to fight against energy poverty and protect vulnerable household consumers, it was considered that

- The legislative package should clearly mention that each Member State should have the right to protect its vulnerable consumers and to ensure the competitiveness of economic entities.

- Each Member State should determine its level of vulnerability and the way to ensure protection to the consumers. The level of vulnerability varies from one country to another and the resources needed to protect vulnerable consumers are and will be different. In line with the principle of subsidiarity and in the context of the energy poverty combat, the modalities of identifying vulnerable clients and the measures to be taken for their protection and the maintaining a derogation for the application of regulated tariffs, remain as an exclusive competence of the Member States.

4. The issue of setting up regional operational centers requires a deeper analysis with a view to the conferral competences from national (TSOs) to regional level (ROCs). Granting binding powers to ROCs is incompatible with the responsibilities of Member States in terms of security of supply, and the division of responsibilities between the national TSOs and the regional structure would have an impact on the operative functioning of the national electricity system.

p.PRESIDENT OF THE SENATE

Iulian – Claudiu MANDA

A handwritten signature in black ink, appearing to read 'Iulian', followed by a long horizontal line extending to the right.