

## EUROPEAN COMMISSION

Brussels, 21.12.2015  
C(2015) 9360 final

Dear Chair,

*The Commission would like to thank the House of Commons for its Opinion concerning the Commission Communication launching a consultation on a new energy market design {COM(2015) 340 final}, and in particular for highlighting its experience of the UK's Electricity Market Reform.*

*As indicated in the Communication, despite significant progress made over the last two decades, obstacles to well-integrated and competitive energy markets in the EU still remain. Coupled with the fundamental shift in the electricity system that is underway, in particular the transition to low carbon energy, this means that the time is right to develop a new market framework that ensures security, affordability and sustainability.*

*As the House of Commons will be aware, the Commission is looking to address a number of specific issues as part of its energy market design initiative. For instance, the increasing share of variable renewable power generation has brought new challenges for the operation and development of the electricity system. It is therefore essential that it becomes more flexible and market-oriented, while remaining fit to meet security of supply challenges. Among other things, this requires better integrated short-term markets, enhanced regional cooperation, the minimisation of barriers to participation of the demand-side, and an appropriate regulatory framework.*

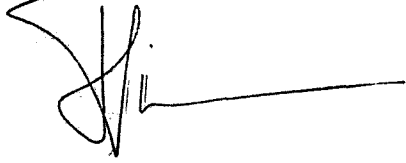
*The Commission would also like to take this opportunity to provide the House of Commons with a brief update of the public consultation which closed at the beginning of October. The consultation attracted interest of many stakeholders, the Commission receiving in excess of 300 submissions from all levels of the supply chain. On the basis of this feedback, the Commission will now start working on concrete proposals to improve the current legal framework. The Commission intends to present these proposals towards the end of next year.*

*Mr Angus Brendan MACNEIL  
Chair of the Energy and  
Climate Change Committee  
Committee Office House of Commons  
14 Tothill Street  
London SW1H 9NB*

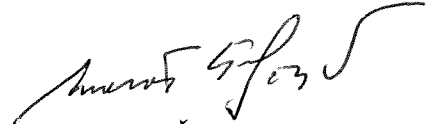
*cc. Sir William CASH, MP  
Chair of the European Scrutiny Committee  
House of Commons  
Palace of Westminster  
UK – London SW1A 0AA*

*The Commission looks forward to continuing our political dialogue on these issues in the future and any further views by the House of Commons will be gratefully received.*

*Yours faithfully,*

A handwritten signature in black ink, consisting of a stylized 'F' followed by a horizontal line extending to the right.

*Frans Timmermans  
First Vice-President*

A handwritten signature in black ink, featuring a cursive 'M' and 'S' with a long horizontal line extending to the right.

*Maroš Šefčovič  
Vice-President*

