



## EUROPEAN COMMISSION

Brussels, 2.3.2016  
C(2016) 1312 final

*Dear Chair,*

*The Commission would like to thank the House of Lords for its Opinion on "EU Energy Governance" and the thorough inquiry that underpins it.*

*Most of the points raised in the Opinion relate to the framework strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy {COM(2015) 80 final}, which the Commission is currently implementing together with other EU institutions and Member States. The Commission is grateful for the House of Lords' broad support for key elements of the strategy, notably as regards the governance of the Energy Union, the approach to capacity mechanisms and regional cooperation.*

*The Commission welcomes the House of Lords' call for national energy and climate plans addressing the five dimensions of the Energy Union. These plans will indeed help to streamline and focus planning in the climate and energy fields for the period post 2020, and help to ensure that the objectives of the Energy Union are met. The Commission's guidance on integrated national energy and climate plans {COM(2015) 572 final, Annex 1} and the Council's conclusions on Energy Union governance – both from November 2015 – give the necessary impetus to start the process. This process will provide an opportunity to increase transparency on the Member States' energy and climate plans and strategies for 2030.*

*Building further on the achievements of 2015, the Commission expects to come forward with a legislative initiative on Energy Union governance by the end of 2016. This initiative will be based on the results of the ongoing assessment of existing planning and reporting obligations in the climate and energy fields as well as of the on-going public consultation, to ensure that the initiative contributes to reduced administrative burden and the better regulation agenda while at the same time ensuring a coherent and holistic approach by Member States.*

*Lord BOSWELL  
Chairman of the European Union Select Committee  
House of Lords  
Palace of Westminster  
UK – LONDON SW1A 0PW*

*With regard to capacity mechanisms, the Commission agrees with the basic approach of the House of Lords' opinion, in particular on the need to agree on a common framework at EU level for such mechanisms and also to consider demand-response and cross border solutions to avoid distortions of trade between Member States. The Commission will address this issue in its proposals for a new market design for electricity foreseen later this year.*

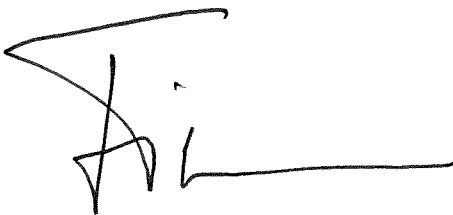
*The Commission also welcomes the House of Lords' strong call for regional cooperation within the Energy Union. As correctly pointed out in the Opinion, regional cooperation and consultation must be an essential element of preparing and finalising the national plans. The Commission is already strongly advocating enhanced regional cooperation across the five dimensions of the Energy Union. At the same time, it must be ensured that regional developments do not impede pan-European integration in the medium to long term. The Commission expects to come forward with guidance to Member States on regional cooperation in the energy field in late 2016.*

*The Commission takes positive note of the House of Lords' call for Member States to prepare national plans by 2018, which in the Commission's view would require draft plans by 2017.*

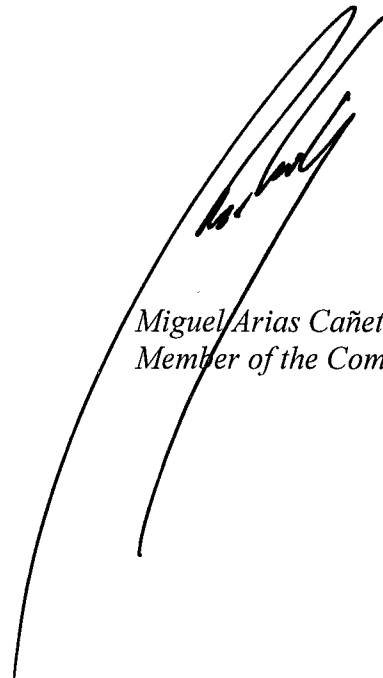
*Lastly, the Commission acknowledges the right of Member States to determine their own energy mix. The Energy Union aims to ensure that national policies contribute to the overall EU objectives and that the EU institutions and the Member States better work together to meet the challenges of ensuring secure, competitive, safe, affordable and sustainable energy to all consumers.*

*The Commission hopes that these clarifications address the main issues raised by the House of Lords and look forward to continuing the political dialogue in the future.*

*Yours faithfully,*



*Frans Timmermans  
First Vice-President*



*Miguel Arias Cañete  
Member of the Commission*