

Making the internal energy market work - highlights of the European Commission Communication (15 November 2012)

- The existing internal energy market legislation must be implemented fully, including putting in place the essential technical rules (network codes) at the EU level. The benefits of the internal market - economic growth, jobs, affordable energy prices for EU citizens, sustainable use of limited resources, investments made in the most cost-efficient way - can only be reached if the legislation is properly in place.
- The Commission is pursuing infringement procedures against member states that have not yet transposed the Third Energy Package Directives or have failed to do so correctly.
- The Commission will insist that public authorities ensure that concessions, e.g. for hydropower generation facilities, for storage facilities or for the operation of distribution grids, are tendered on a non-discriminatory basis and properly remunerated.
- Member states must stimulate competition through the development of infrastructure and the elimination of market entry barriers.
- Member states should abolish price regulation on electricity and gas prices for all consumers, including households and small and medium enterprises.
- Supply- and demand-side flexibility should be rewarded through effective price signals to encourage energy-efficient production and use of electricity. Inappropriate public intervention must be avoided, as it can discourage private investments and undermine the internal market.
- The Commission will support further development of smart grids, including standardisation and roll out of smart meters and the development of demand response services. Member states should produce action plans for the modernisation of their grids.
- The Guidelines on State Aid for environmental protection, including renewable energy support schemes, will be reviewed.
- A public consultation on security of supply in electricity, generation adequacy and the internal energy market will be launched simultaneously with the publication of the Communication. The focus is on the capacity mechanisms with the aim to establish common EU criteria for their use.
- The Commission will formally establish an Electricity Coordination Group to facilitate cooperation regarding security of supply, including generation adequacy and cross-border grid stability.