



3+1 NEW PIECES OF EUROPEAN LEGISLATION ON ENERGY

The session of the European Parliament on 26.03.2019 was undoubtedly marked by the -clearly controversial- vote in relation to copyright in the digital environment. **In the same session, however, the Parliament voted for and adopted four very important bills regarding the European energy market, which are expected to have an important impact on the energy sector of the European Union (“EU”).**

In particular, the Parliament approved the recast of the Regulation No. 714/2009 for the internal electricity market, of the Directive No. 2009/72/EC on the common rules of the internal electricity market, of the Regulation No. 719/2019 which established the Agency for Cooperation of Energy Regulators (ACER), whereas a new Regulation was also approved, which will replace the Directive 2005/89/EC for risk-preparedness on the electricity sector.

All four pieces of legislation are part of the **Energy Union** plans and the energy targets set by the EU for 2030 and are the final measures of the “Clean Energy for All Europeans” package.

EU's target through the Energy Union and the Clean Energy package is to eliminate carbon dioxide emissions during the second half of the 21st century while maintaining its global competitiveness and simultaneously creating growth and jobs.

Through the reforms that are being put forward, the position and the role of the consumers, who will have access to smart meters and will benefit from dynamic price contracts, is expected to be improved. **Further, the consumers will be able to change their electricity provider without any charge.** The above measures are expected to contribute to energy savings, as well as, to improve competitiveness and, by extension, alleviate the consumers.

Further, with the new rules for the internal electricity market, at least 70% of tradeable energy will be able to cross European borders without any barriers. This shall facilitate the intra-EU trading of renewable energy, supporting the efforts towards the binding goal of 32% renewables by 2030.

Another important target of the EU through the new design of the European internal electricity market is the increase of the market share of the electricity which is produced by prosumers¹, i.e. the consumers who also produce energy. The prosumers are expected to play an important role in the clean energy transition, given that, following the installation of decentralised and digital “smart” energy systems and grid, the direct energy transactions between prosumers will be possible, who will sell the energy which they produce and exceeds their needs.

¹ The word prosumer is a mix of the words producers and consumer.

Additionally, through the new measures which were adopted for risk-preparedness and the **prevention of blackouts**, the member states will be obliged to draft national plans to assess the risk of shortages and cooperate at regional level, so that the said risks can be addressed.

Finally, the new Regulation for ACER will provide it with additional powers and tasks, in particular in overseeing the wholesale electricity market and the cross-border infrastructure, with a view to achieving the better regulation and further liberalisation of the electricity market at the European level.

The said pieces of legislation will be published in the Official Journal of the EU following their approval by the competent ministers of the EU member states. The Electricity Market Regulation shall come into force on 1st January 2020 and the Common Rules for the Internal Electricity Market Directive shall be transposed within 18 months from its publication. The other two Regulations shall have immediate effect upon their publication.

It is worth noting that all four pieces of legislation were approved by a vast majority (the smallest one was the 544 votes in favour of the new Electricity Market Regulation), a fact which demonstrates the common views and the support of the Parliament (and, subsequently, of the European societies) in EU's efforts to reform the energy sector.

For more information on the new European Energy Legislation please contact us:

Dr. K. Chrysostomides & Co. LLC

1, Lampousas Street, 1095

Nicosia, Cyprus

Tel: +357-22777000,

Fax: +357-22779939

eMail: info@chrysostomides.com.cy