



**COUNCIL OF
THE EUROPEAN UNION**



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11271/09 (Presse 191)

Council adopts internal energy market package

The Council unanimously adopted the package of legislative measures concerning the internal energy market, approving all the European Parliament's second reading amendments.

The texts of these legislative acts are set out in the following documents: the directive concerning common rules for the internal market in electricity [3648/09](#), [10814/09 ADD1 REV 3](#), the regulation on conditions for access to the network for cross-border exchanges in electricity [3651/09](#), [10817/09 ADD1 REV2](#), the regulation establishing an Agency for the Cooperation of Energy Regulators [3650/09](#), [10816/09 ADD1 REV1](#), the directive concerning common rules for the internal market in natural gas [3649/09](#), [10815/09 ADD1 REV1](#) and the regulation on conditions for access to the natural gas transmission networks [3652/09](#).

P R E S S

The third package of legislative measures on the internal energy market aims to supplement the existing rules so as to ensure that the internal market operates smoothly for all consumers and to enable the EU to achieve a more secure, competitive and sustainable energy supply. The new legislation is also intended to give energy consumers more protection and the benefit of the lowest possible energy prices. In addition, the package promotes sustainability by stimulating energy efficiency and guaranteeing that small companies, too, in particular those investing in renewable energy, will have access to the energy market. Another key objective of this legislation is to ensure fair competition between EU companies and third country companies.

Electricity directive

The electricity directive establishes common rules for the generation, transmission, distribution and supply of electricity, together with consumer protection provisions, with a view to improving and integrating competitive electricity markets in the EU. It lays down the rules governing the organisation and functioning of the electricity sector, open access to the market, the criteria and procedures applicable to calls for tenders and the granting of authorisations and the operation of systems. It specifies several models for achieving the separation of transmission from supply and generation activities (full ownership unbundling, independent system operator (ISO) and independent transmission operator (ITO)). The directive also lays down universal service obligations and the rights of electricity consumers and clarifies competition requirements. It strengthens regional cooperation among regulatory authorities and among transmission system operators and sets out in great detail the objectives, duties and powers of regulatory authorities so as to improve consistency. This directive repeals directive 2003/54/EC.

Gas directive

The gas directive, which repeals directive 2003/55/EC, establishes common rules for the transmission, distribution, supply and storage of natural gas. It lays down the rules governing the organisation and functioning of the natural gas sector, access to the market, the criteria and procedures applicable to the granting of authorisations for transmission, distribution, supply and storage of natural gas and the operation of systems. The gas directive specifies the same three models as the electricity directive for ensuring the separation of transmission activities from production and supply activities. It also provides for public service obligations and the rights of gas consumers and clarifies competition requirements. The directive reinforces regional cooperation among regulatory authorities and among transmission system operators and lays down in great detail the objectives, duties and powers of regulatory authorities so as to ensure a more consistent internal gas market.

Electricity regulation

The purpose of this regulation, which repeals regulation (EC) No 1228/2003, is to set fair rules for cross-border exchanges in electricity, thus enhancing competition within the internal electricity market. It also aims to facilitate the emergence of a well-functioning and transparent wholesale market with a high level of security of supply in electricity. It provides for mechanisms to harmonise the rules for cross-border exchanges in electricity. In addition, the regulation establishes a European Network of Transmission System Operators for Electricity, a new framework in which all transmission system operators will cooperate at EU level. This network is designed to promote the completion and proper functioning of the internal electricity market and to encourage cross-border trade.

Gas regulation

The objective of this regulation is to set non-discriminatory rules for access conditions to natural gas transmission systems with a view to ensuring the proper functioning of the internal market in gas, as well as to lay down non-discriminatory rules for access conditions to LNG facilities and storage facilities. The new regulation is also designed to facilitate the emergence of a well-functioning and transparent wholesale market with a high level of security of supply in gas and to provide mechanisms for harmonising the network access rules for cross-border exchanges in gas. The regulation also establishes a European Network of Transmission System Operators for Gas in order to ensure optimum management of the gas transmission network in the EU. The regulation repeals regulation (EC) No 1775/2005.

Agency for the Cooperation of Energy Regulators

The new Agency will assist national regulatory authorities in exercising, at Community level, the regulatory tasks performed in the member states and, where necessary, will coordinate their action. It will be a Community body with legal personality, comprising an administrative board, a board of regulators, a director and a board of appeal. The Agency's remit will in particular include the following: tasks relating to the cooperation of transmission system operators, tasks as regards the national regulatory authorities and tasks connected with the cross-border infrastructure.

The five legislative acts will be applicable 18 months after their publication in the Official Journal of the EU.