



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.7.2003
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OPINION OF THE COMMISSION

**pursuant to Article 251 (2), third subparagraph, point (c) of the EC Treaty,
on the European Parliament's amendments
to the Council's common position regarding the
proposal for a**

**DIRECTIVE OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL**

**concerning common rules for the internal market in electricity and repealing Directive
96/92/EC**

**AMENDING THE PROPOSAL OF THE COMMISSION
pursuant to Article 250 (2) of the EC Treaty**

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on the European Parliament's amendments
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1. INTRODUCTION

Article 251(2), third subparagraph, point (c) of the EC Treaty provides that the Commission is to deliver an opinion on the amendments proposed by the European Parliament at second reading. The Commission sets out its opinion on the 25 amendments adopted by Parliament.

2. BACKGROUND

The Commission adopted its proposal of the proposal for a Directive amending Directives 96/92/EC and 98/30/EC concerning common rules for the internal markets in electricity and natural gas on 13 March 2001.

The European Parliament adopted its first reading on 13 March 2002 and the Commission adopted its modified proposal on 7 June 2002. The proposal has subsequently been split into two separate proposals, one concerning a Directive on the internal market in electricity and one concerning the internal market in natural gas.

The Council adopted its common position on 3 February 2003 unanimously, which the Commission supported.

The 25 amendments voted concerning the Electricity Directive by the European Parliament in second reading on 4 June 2003 are part of a compromise package of amendments on the three texts of the internal market package. The package was accepted in its totality in the plenary vote by the EP on 4 June 2003. Since the amendments are acceptable to the Council, the conciliation procedure will not be invoked. The Council has approved the amendments voted by Parliament on the 16th of June 2003.

3. PURPOSE OF THE PROPOSAL

The aim of the Commission proposal is to arrive at a level playing field for all market actors on the electricity and gas markets in the European Union. The Electricity Directive (96/92/EC) and the Gas Directive (98/30/EC) have been producing benefits for large consumers in terms of lower prices and better service standards. However, these Directives leave a number of choices to Member States in terms of market opening, organisation of access to the network and regulation of the market. Practice demonstrates that this situation leads to distortion of competition, as some Member States' markets are more open to effective competition than others.

For this reason the Commission has proposed this amending Directive. It seeks to achieve full progressive opening of the electricity and gas markets, high standards of public service and a universal service obligation in electricity. It abolishes the choice of negotiated access to the gas and electricity networks and obliges Member States to legally separate the transmission and distribution network operators from other parts of the business. In addition, all Member States have to establish a regulatory authority with a set of minimum competencies.

In the framework of the accession process, the candidate countries have taken commitments in the Accession negotiations regarding the existing Electricity and Gas Directives. The Commission expects new Member States to fulfill the obligations created by these new Directives, but acknowledges that in duly justified and exceptional cases, it may be necessary to allow for a progressive phasing-in into the further developed electricity and gas markets. The Commission parts from the principle that any permanent derogation will, however, not be accepted.

4. OPINION OF THE COMMISSION ON THE AMENDMENTS BY THE EUROPEAN PARLIAMENT

The Parliament adopted 25 amendments to the proposal for a Directive concerning common rules for the internal market in electricity and repealing Directive 96/92/EC on 4 June 2003. The Commission can accept all of them in full. All these amendments clarify or strengthen the text and the Commission can fully support them.

5. CONCLUSION

The Commission accepts the amendments voted by Parliament on 4 June 2003 and approved by Council on 16 June 2003.