Commissioner Miguel Arias Cañete welcomes the political agreement on a proposal to improve the EU's risk preparedness in the electricity sector

Today's deal means that five out of the eight legislative proposals of the 2016 <u>Clean Energy for All Europeans</u> package have been politically agreed by the co-legislators, after the agreements in the first half of 2018 on the <u>Governance proposal</u>, the <u>revised Energy Efficiency Directive</u>, the <u>revised Renewable Energy Directive</u> and the <u>Energy Performance in Buildings Directive</u>. It is clear progress and momentum towards completing the Energy Union and combatting climate change are well under way. The Juncker Commission, working under its political priority "a resilient Energy Union and a forward-looking <u>climate change policy</u>", is delivering.

Commissioner for Climate Action and Energy Miguel **Arias Cañete** said: "Today's deal is another major delivery in our transition to a clean and secure energy system Today's electricity markets are increasingly interlinked.

With today's deal, Europeans will be better protected against black-outs. It will ensure that all Member States put in place appropriate tools to prevent, prepare for and manage crisis situations in the supply of electricity. Even when markets and systems function well, the risk of an emergency due to unforeseen circumstances cannot be excluded. Such situations can be managed more effectively through cross border co-ordination in a spirit of solidarity among neighbours."

The new Regulation will provide new common methods for the identification of possible electricity crisis scenarios at national and regional levels; ensure maximum preparedness against electricity crises and effective management thereof through the preparation and publication of risk-preparedness plans by Member States developed on the basis of the electricity crisis scenarios identified; help national authorities prevent and manage crisis situations in cooperation with each other in a spirit of solidarity; set up a new framework for a more systematic monitoring of security of supply issues via the Electricity Coordination Group; and ensure that markets can work as long as possible.

Following this political agreement, the text of the Regulation will have to be formally approved by the European Parliament and the Council. Once endorsed by both co-legislators in the coming months, the Regulation will be published in the Official Journal of the Union and will immediately enter into force.

The regulation on Risk Preparedness of the electricity sector is part and parcel of the implementation of the Juncker Commission priorities to build "a resilient Energy Union and a forward-looking climate change policy". The Commission wants the EU to lead the clean energy transition. For this reason the EU has committed to cut CO2 emissions while modernising the EU's economy and delivering on jobs and growth for all European citizens. In doing so, the Commission is guided by three main goals: putting energy efficiency first, achieving global leadership in renewable energies and providing a fair deal for consumers. All this must be done whilst guaranteeing the security of energy supply of the EU and the resilience and stability of the system against potential threats and crises.

The proposed Regulation focuses on how to secure the resilience of the electricity system as a whole and how to manage electricity crises when they occur, by ensuring that all Member States put in place the appropriate tools to prevent, prepare for and manage these situations. This is necessary given that even where markets and systems function well, the risk of an electricity crisis as a result of a variety of circumstances (e.g. extreme weather circumstances, malicious attacks including cyber-attacks, a fuel shortage) cannot be excluded. In addition, given that electricity systems are integrated, where crisis situations do occur, they often have a cross-border effect. Some circumstances (e.g., a prolonged cold spell or heat wave) might affect several Member States simultaneously and incidents that start locally may rapidly spread. Currently, Member States behave very differently when it comes to preventing and managing crises. National rules and practices tend to focus on the national context only, disregarding cross-border effects. In addition, there is limited sharing of information amongst Member States.

The new rules will provide common methods for assessing risks, will bring more comparability and transparency to the preparation phase and during an electricity crisis, and will ensure that even in a crisis, electricity is delivered where it is needed most. A new framework for a more systematic monitoring of security of supply issues will be set up via the Electricity Coordination Group. The proposal contributes to the revised Third Package by ensuring that, even in crisis situations, priority is given to market-based measures and that markets can work as long as possible.

The Regulation complements and updates the existing network codes and guidelines thatset out harmonised principles for the operational planning and scheduling processes required to anticipate real time operational security difficulties. This will help national authorities prevent and manage crisis situations in cooperation with each other, while avoiding undue interference on the market and on the tasks of the Transmission System Operators (TSOs).

More information

Energy Union

Proposal on risk preparedness